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# Prioritising Early Childhood Development:

One powerful solution to many global challenges

Leveraging investment in young children to achieve multisectoral G20 goals

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ABBREVIATION / ACRONYM	FULL FORM
<b>AI</b>	Artificial Intelligence
<b>DRR</b>	Disaster Risk Reduction
<b>DRR WG</b>	Disaster Risk Reduction Working Group
<b>DEWG</b>	Digital Economy Working Group
<b>DPI</b>	Digital Public Infrastructure
<b>DWG</b>	Development Working Group
<b>ECCE</b>	Early Childhood Care and Education
<b>ECD</b>	Early Childhood Development
<b>EdWG</b>	Education Working Group
<b>EMDEs</b>	Emerging Markets and Developing Economies
<b>G20</b>	Group of Twenty
<b>G2P</b>	Government to Person
<b>GDP</b>	Gross Domestic Product
<b>GPFI</b>	Global Partnership for Financial Inclusion
<b>IFFs</b>	Illicit Financial Flows
<b>IOL</b>	Independent and Online News
<b>J-PAL</b>	Jameel-Poverty Action Lab
<b>LMICs</b>	Low- and Middle-Income Countries
<b>MSME</b>	Micro, Small and Medium Enterprises
<b>NCDs</b>	Non-Communicable Diseases
<b>NEET</b>	Not in Employment, Education, or Training
<b>PHC</b>	Primary Health Care
<b>PPPR</b>	Pandemic Prevention, Preparedness and Response
<b>SFWG</b>	Sustainable Finance Working Group
<b>SDGs</b>	Sustainable Development Goals
<b>UHC</b>	Universal Health Coverage
<b>UN</b>	United Nations
<b>UNICEF</b>	United Nations International Children's Emergency Fund
<b>WG</b>	Working Group

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# Executive Summary

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The purpose of this learning brief is to demonstrate that multiple goals of the 2025 G20 can be simultaneously achieved by leveraging an integrated plan to invest in the early childhood development (ECD) of young children<sup>1</sup>, and specifically early learning facilities. As such, investment in ECD should be integrated into the agenda of multiple working groups in a coordinated manner, which will aid in meeting the agendas of the working groups. This report emphasises that investment in ECD can meet the priorities of working groups other than the Education Working Group, which explicitly mentions ECD, due to the long-run and short-run returns on investment in ECD, as well as the public and private positive spill-overs that accrue due to investment in ECD.

While there are calls to action to include ECD as a priority in the G20 agenda, such as a Call to Action published by the Act for Early Years campaign<sup>2</sup>, these documents describe how early childhood represents a critical investment opportunity rather than demonstrating how ECD can achieve the cross-sectoral goals of the G20. These calls to action make a compelling case for investment in ECD; this report builds on from those calls to action, to put forward a case for ECD as a critical lever which can be used strategically to achieve the goals of multiple G20 working groups simultaneously.

This report briefly summarises the goals of the 2025 G20 under the South African presidency, and then summarises the investment case for ECD. The final sections of the report then demonstrates the interconnectedness between ECD and other global development priorities which are represented by the agenda items of the G20 Working Groups, emphasizing the cross-sectoral benefits of investing in quality early childhood and demonstrating the need for integrated action.

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1 This brief acknowledges the importance of the Nurturing Care Framework, as developed by UNICEF, which demonstrates that young children require more than only early learning for healthy development.

2 Act For Early Years is a global campaign calling for urgent government action to end the early years crisis and ensure every child has access to high quality, nurturing interventions through three catalytic goals: universal access to quality primary healthcare in support of health, wellbeing and development across pregnancy, birth and early childhood; universal access to quality, inclusive preschool education; and universal support for families including affordable and quality childcare and child benefits. The campaign aims to secure the first ever International Financing Summit on Early Years to secure the necessary investments to transform lifelong outcomes for all children. Source: <https://actforearlyyears.org/wp-content/uploads/sites/261/AFEY-South-Africa-Briefing-20250522.pdf>

# High-Level Framework and Priorities of the 2025 G20

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The theme for the 2025 G20 under the South African presidency is “Solidarity, Equality, Sustainability.”<sup>3</sup> South Africa has identified four high-level deliverables for its presidency, including strengthening disaster resilience and response (DRR), ensuring debt sustainability for low-income countries, mobilising finance for a just energy transition, and harnessing critical minerals for inclusive growth and sustainable development. These deliverables are elevated and worked out through three Task Forces which have been established by South Africa’s G20 presidency, which are 1) inclusive economic growth, industrialisation, employment, and reduced inequality, 2) food security, and 3) artificial intelligence, data governance and innovation for sustainable development<sup>4</sup>. These three Task Forces have led to the identification of special projects under each initiative. For example, the Food Security initiative has led to special projects to tackle drivers of food price volatility and food systems that are resilient to climate change, among other projects.<sup>5</sup> The 2025 G20 agenda is ambitious and cross-cutting, and aims not just at macroeconomic and financial coordination, but at injecting development, resilience, equity, and technological transitions into each working stream.

The G20 operates through two principal tracks, 1) the Sherpa Track, which includes socio-economic, sector-specific, and cross-cutting working groups, and 2) the Finance Track, which covers matters including financial architecture, sustainable finance, taxation, and infrastructure. Working groups are organized under each track, and each have an agenda and priorities. The table below summarises the agendas and priorities of multiple Working Groups and Task Force groups which can be achieved by investing in ECD. This table highlights the priorities, but does not describe how ECD can achieve them. Section 3 goes on to describe how they can be met through to different positive spillovers that happen due to expanded access to quality ECD.







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3 Source: <https://g20.org/g20-south-africa/>

4 A social protection floor is the basic level of social security that every person should have access to, ensuring protection against poverty and vulnerability throughout life. Source: <https://g20.org/high-level-deliverables/>

5 Source: [https://saiia.org.za/wp-content/uploads/2025/08/SAIIA\\_Synthesis\\_3\\_G20FoodSystems.pdf](https://saiia.org.za/wp-content/uploads/2025/08/SAIIA_Synthesis_3_G20FoodSystems.pdf)

**Table 1: Selected Working Groups in the Sherpa and Finance Tracks**

SHERPA TRACK WORKING GROUP	KEY FOCUS / AGENDA IN 2025
 <b>Development Working Group (DWG)</b>	<ul style="list-style-type: none"> <li>• Strengthening social protection systems, especially Social Protection Floors<sup>6</sup>;</li> <li>• Combating illicit financial flows (IFFs);</li> <li>• Inclusive, resilient sustainable development;</li> <li>• Universal social protection, especially in low-income and vulnerable contexts.</li> </ul>
 <b>Disaster Risk Reduction (DRR WG)</b>	<ul style="list-style-type: none"> <li>• Embed DRR into the development agenda, emphasising equity and justice</li> <li>• Focus Africa as a priority region</li> <li>• Advance high-level principles for finance of DRR and link to resilience</li> <li>• Strengthen stakeholder engagement, early warning, and adaptation integration</li> </ul>
 <b>Digital Economy Working Group (DEWG)</b>	<ul style="list-style-type: none"> <li>• Advance Digital Public Infrastructure (DPI) design, deployment, and measurement of DPI value</li> <li>• Focus on inclusive AI systems; launch of a G20 Task Force on AI for Sustainable Development</li> <li>• Promote digital access, interoperability, governance, and the public value of digital systems</li> </ul>
 <b>Education Working Group (EdWG)</b>	<ul style="list-style-type: none"> <li>• Quality foundational learning (especially ECCE)</li> <li>• Mutual recognition of qualifications</li> <li>• Professional development of educators in a changing environment</li> </ul>
 <b>Employment WG</b>	<ul style="list-style-type: none"> <li>• Inclusive Growth &amp; Youth Employment Reducing NEET (Not in Employment, Education, or Training) rates, expanding job creation especially for young people, promoting skill development and youth entrepreneurship<sup>7</sup>.</li> <li>• Gender Equality in the Workforce</li> <li>• Addressing Inequality &amp; Declining Labour Income Share<sup>8</sup></li> </ul>
 <b>Health WG</b>	<ul style="list-style-type: none"> <li>• Universal Health Coverage (UHC), via strengthening Primary Health Care (PHC)</li> <li>• Pandemic Prevention, Preparedness and Response (PPPR)<sup>9</sup></li> <li>• Addressing Non-Communicable Diseases (NCDs) and Strengthening Health Workforce<sup>10</sup> by combatting rising burdens of NCDs (like cardiovascular diseases, cancers, etc.).</li> </ul>

6 ILO Recommendation No. 202 (2012). Available: [https://normlex.ilo.org/dyn/nrmlx\\_en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_INSTRUMENT\\_ID:3065524](https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO::P12100_INSTRUMENT_ID:3065524)

7 Source: <https://www.gov.za/news/media-advisories/government-activities/south-africa-hosts-g20-employment-working-group-meeting>

8 Source: <https://g20.org/g20-media/south-africa-convene-g20-second-employment-working-group-ewg-meeting/>

9 Source: <https://g20.org/track/health/>

10 Source: <https://www.gov.za/news/media-statements/health-convenes-first-g20-health-working-group-meeting-23-jan-2025>

FINANCE TRACK WORKING GROUP	KEY FOCUS / AGENDA IN 2025
 <b>Sustainable Finance Working Group (SFWG)<sup>11</sup></b>	<ul style="list-style-type: none"> <li>• Strengthen the global sustainable finance architecture</li> <li>• Scale up finance for adaptation and just transitions</li> <li>• Mobilise private finance and climate investments in EMDEs</li> <li>• Create frameworks that help direct global finance not only to decarbonisation and resilience, but also to inclusive human development like education, care, gender equality, and social protection (also known as social finance).</li> </ul>
 <b>Financial Sector Issues / International Financial Architecture</b>	<ul style="list-style-type: none"> <li>• While full 2025 issue notes haven't all been made public, focus areas include:</li> <li>• Reform of global financial architecture (especially for developing countries)</li> <li>• Addressing debt sustainability and liquidity in low-income countries</li> </ul>
SPECIAL INITIATIVES / TASK FORCES FOR 2025	KEY FOCUS / AGENDA IN 2025
 <b>Inclusive economic growth, industrialisation, employment, and reduced inequality Task Force</b>	<ul style="list-style-type: none"> <li>• Accelerate job creation and expand industrialisation, especially in sectors with high employment potential.</li> <li>• Reduce income and wealth inequality through policy reform, labour market interventions, and social protection.</li> <li>• Empower women and youth via access to finance, skills development, and participation in value chains.</li> <li>• Promote fair taxation, better global financial architecture, and support for LMICs to boost growth in more equitable ways<sup>12</sup>.</li> </ul>
 <b>Food security Task Force</b>	<ul style="list-style-type: none"> <li>• Advance resilient and sustainable food systems, focusing on climate-smart agriculture.</li> <li>• Promote inclusive participation, and support for smallholder farmers, women, youth, and marginalized groups in agriculture.</li> <li>• Improve nutrition, stabilize food prices, reduce food inflation, and build social protection (school feeding, targeted transfers)<sup>13</sup></li> <li>• This Task Force, and its priorities, is linked to the Agriculture WG, which deals with food security and sustainable agriculture</li> </ul>

11 Source: <https://g20sfwg.org/wp-content/uploads/2025/02/2025-G20-SFWG-Note-on-Agenda-Priorities-rev.pdf>

12 Source: <https://www.gov.za/news/speeches/deputy-president-paul-mashatile-t20-africa-high-level-dialogue-29-apr-2025>

13 Source: <https://www.gov.za/news/media-statements/minister-john-steenhuizen-adoption-g20-food-security-task-force-declaration>



*Early Childhood Care and Education (ECCE), covering the period from birth to 8 years old, is crucial because it leverages a time of significant brain development in children.*

There are also multiple Engagement Groups which act as official platforms that bring non-governmental stakeholders together, such as civil society, business, labour unions, think tanks, women's organisations, youth, and others. While there are multiple engagement groups, two are particularly relevant here: the Children20 (Ch20) Engagement Group and the Women20 (W20) Engagement Group.

The Ch20 serves as the formal platform which represents the rights, needs, and voices of children and youth in the G20. Building on the work of the Ch20 under India (2023) and Brazil (2024), the 2025 agenda continues to focus on ensuring that investments in children are central to sustainable development. The Ch20 calls for universal access to quality ECD, and healthcare. It advocates for child-centred approaches to climate action and social protection, urging G20 members to design policy frameworks that safeguard children's well-being.

The W20 is the official platform for promoting gender equality and women's economic empowerment across all areas of the G20 agenda. Its 2025 priorities align with the overarching theme of "Solidarity, Equality, Sustainability" and focus on advancing women's participation in the labour force, particularly through investment in care infrastructure, entrepreneurship, and access to finance. The W20 calls for policies that recognise and redistribute unpaid care work, expand affordable childcare services, and strengthen women's representation in decision-making roles within business and governance.

## The case for investment in ECD

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Before we can understand how ECD can achieve the priorities of the working groups, task force initiatives and engagement groups listed in the previous section, we must understand what improved access to ECD can do for individuals, and how investment in the ECD sector produces positive spillovers for the rest of a community.

ECD refers to the healthy physical, cognitive, and socioemotional growth of young children. Healthy development in early childhood enables children to be significantly more prepared for school, helps them to do better in their education journey, is shown to improve job outcomes, and enables them to grow physically in a way which decreases their predisposition for chronic health issues as adults. As such, healthy development in early childhood is a promising mechanism for the reduction of intergenerational poverty<sup>14</sup> but multiple and simultaneous economic, medical, societal, public and private inputs are necessary for children to grow into healthy adults, making coordination between partners and sectors critical for ECD service provision<sup>15</sup>.

Given the importance of ECD both for individual children and for the health of a population in general, there is a strong policy emphasis on childhood interventions by governments, UNICEF and other critical stakeholders. The UN, in many of the Sustainable Development Goals (SDGs), refers specifically to ECD provision.<sup>16</sup> Provision of quality Early Childhood Care and Education (ECCE) is also an explicit goal of the Education Working Group in the current G20.

In 2018, the G20 Development Working Group recognised the critical role that G20 countries play in advancing investment in ECD, and launched an initiative for ECD under the Argentine presidency. However, this initiative has not delivered on the goal to provide increased access to ECD, and in 2022, a report by the Learning for Well-Being Institute and Theirworld estimated that over 150 million children have been born since 2017, who are now too old to benefit from access to ECD services promised by this initiative.<sup>17</sup> The cost of inaction for these children is staggering. These children are mostly those born in LMICs and there is growing evidence that children born in LMICs have not been able to develop to their full potential<sup>18</sup> due to the increased environmental risk factors that children face in these countries.<sup>19</sup> That is, because many children in LMICs do not get proper nutrition, cognitive stimulation, care and the other elements they need, they are prevented from fulfilling their potential, both physically and cognitively.

There is a large literature which has developed regarding ECD and its effective realisation for all children, documenting how ECD lays the foundations for cultivating skills that ensure socioeconomic security later in life.<sup>20</sup> Decades of research demonstrate that high-quality ECD strengthens a child's capacity to learn, setting them on a virtuous cycle of improved school performance, higher

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14 Heckman, J. J., & Karapakula, G. (2019). Intergenerational and intragenerational externalities of the Perry Preschool Project (No. w25889). National Bureau of Economic Research.

15 UNICEF, 2017; Richter, Lye and Proulx, 2018; WHO and UNICEF, 2023

16 Richter, L. M., Daelmans, B., Lombardi, J., Heymann, J., Boo, F. L., Behrman, J. R., ... & Darmstadt, G. L. (2017). Investing in the foundation of sustainable development: pathways to scale up for early childhood development. *The lancet*, 389(10064), 103-118.

17 Source: <https://l4wb-i.org/publication/sustainable-equitable-social-development/>

18 UNICEF, WHO and World Bank Group, 2023

19 Walker, S. P., Wachs, T. D., Gardner, J. M., Lozoff, B., Wasserman, G. A., Pollitt, E., & Carter, J. A. (2007). Child development: risk factors for adverse outcomes in developing countries. *The lancet*, 369(9556), 145-157.

20 Heckman, J. J. (2008). Schools, skills, and synapses. *Economic inquiry*, 46(3), 289-324.



*Comprehensive ECD includes parent education and support, health services and nutritious meals for pregnant women and newborns.*

productivity, improved employment outcomes, and better life outcomes.<sup>21</sup> Healthy physical development in early childhood enables a child's body to grow more healthily, lowering the risk of non-communicable diseases and especially heart disease, because good nutrition in early childhood is especially important for organs such as the heart to develop properly. People who did not receive good nutrition as children are more likely to develop chronic diseases and heart-related diseases earlier in life relative to people who have good nutrition as children.<sup>22</sup> Overall, ECD enables children to have a higher capacity to unlock their full potential even in the face of adversity;<sup>23</sup> and the capacity for higher life-time earnings.<sup>24</sup>

21 Britto, P. R., Lye, S. J., Proulx, K., Yousafzai, A. K., Matthews, S. G., Vaivada, T., & Bhutta, Z. A. (2017). Nurturing care: promoting early childhood development. *The Lancet*, 389(10064), 91-102.

22 García, J. L., Heckman, J. J., Leaf, D. E., & Prados, M. J. (2020). Quantifying the life-cycle benefits of an influential early-childhood program. *Journal of Political Economy*, 128(7), 2502-2541.

23 Daelmans, B., Manji, S. A., & Raina, N. (2021). Nurturing care for early childhood development: global perspective and guidance. *Indian Pediatrics*, 58(Suppl 1), 11-15.

24 Gertler, P., Heckman, J., Pinto, R., Zanolini, A., Vermeersch, C., Walker, S., & Grantham-McGregor, S. (2014). Labor market returns to an early childhood stimulation intervention in Jamaica. *Science*, 344(6187), 998-1001.

García et al., (2020) estimate that the internal rate of return<sup>25</sup> for high-quality<sup>26</sup> early childhood interventions to individuals from disadvantaged backgrounds is between 8% and 18%, and that the benefit-to-cost ratio to society of these high-quality interventions is 7.3. These types of high-quality interventions have been found to increase lifetime earnings by up to 25% for individuals who receive the intervention, which has a positive spillover in terms of a more productive workforce and higher economic growth. Furthermore, lower incidence of non-communicable and heart diseases reduces the cost of treatment which is incurred by public healthcare systems later in life, adding further benefit to interventions which lower the incidents of these conditions.

Quality ECD is primarily beneficial to individual children, but it also generates positive spillovers which benefit society. Therefore, ECD is increasingly understood as an important part of the strategies for economic development and poverty reduction. The positive benefits for society are discussed briefly in the next two paragraphs.

The intergenerational transfer of poor health due to poor ECD is a poverty trap which hinders individual productivity, but it also affects macroeconomic productivity. An environment which fosters healthy ECD is a plausible way to overcome this poverty trap, and is subject to a lower efficiency-equity<sup>27</sup> trade-off relative to other development spending.<sup>28</sup> Scholars of the poverty-inequality-growth nexus posit that income inequality is a significant determinant of the growth elasticity of poverty,<sup>29</sup> which is the ratio of the percentage change in poverty to the percentage change in GDP per capita. That is, higher income inequality leads to reduced growth elasticity of poverty. As such, the reduction of income inequality is the aim both in theory and for pro-growth poverty-reduction strategies such as those proposed by the 2025 G20 agenda.<sup>30</sup>

Additionally, there are further public benefits of investing in ECD which accrue to the local economy. ECD programmes are largely entrepreneurial ventures that benefit the local economies through stimulating demand, with more than 24,000 centres established in South Africa by women without government support. These centres are often established in remote and underprivileged areas, and require government subsidisation to provide services to families who otherwise could not afford it. There is a powerful argument to be made that while the long-term economic returns to investing in young children are compelling, generating annual returns of 7% to 10% through better educational outcomes and lower crime rates,<sup>31</sup> the shorter term economic benefit of the ECD Sector proves equally compelling and should be front and centre in the global development agenda, as well as the domestic government agenda.

ECD centres run as **locally owned micro-enterprises** are a rare policy lever that simultaneously deliver on multiple G20 2025 priorities. The Education Working Group has an explicit priority to promote access to quality ECCE due to the importance of investing in early learning to set children up for success in their education journey. Over and above this explicit priority, however, investment in ECD which results in expanded access to quality early learning can achieve a number of positive outcomes.

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25 This internal rate of return includes the personal benefit of better health, lower likelihood of criminality, and higher parental labour market income that result from the intervention.

26 This statistic does not give unqualified permission to provide ECD interventions. The intervention must be guided by a thorough understanding of what constitutes a high-quality intervention.

27 An efficiency-equity trade-off is a dilemma in development economics where it's often the case that spending on people who are better off has higher returns (or is more efficient) but more equitable spending (on people who are worse off) has smaller gains and is therefore less efficient.

28 Cunha, F., & Heckman, J. J. (2007a). The technology of skill formation. *American Economic Review*, 97(2), 31–47. <https://doi.org/10.1257/aer.97.2.31>

29 Crespo Cuaresma, J., Klasen, S., & Wacker, K. M. (2022). When do we see poverty convergence?. *Oxford Bulletin of Economics and Statistics*, 84(6), 1283-1301.

30 Thorbecke, E. (2013). The interrelationship linking growth, inequality and poverty in sub-Saharan Africa. *Journal of African economies*, 22(suppl\_1), i15-i48.

31 (IRDC & Harambee Youth Employment Accelerator, 2022).

## Investing in ECD with a focus on quality early learning can:

1. produce high-return human-capital gains and reduce inequality <b>(in line with the priorities of the DWG)</b> ,	
2. improve food security for young children in the most critical years <b>(in line with the food security Task Force and the Health WG)</b> ,	
3. create decent jobs and empower women <b>(in line with the employment and development working groups)</b> ,	
4. be financed at scale through blended mechanisms <b>(highlighting how SFWG priorities can be achieved)</b> ,	
5. become more effective when plugged into Digital Public Infrastructure <b>(DEWG priority)</b> ,	
6. serve as community anchors for disaster resilience <b>(facilitating the DRR working group agenda)</b> ,	
7. and be leveraged as a priority for LMIC debt-relief and restructuring <b>(International Financial Architecture WG priority)</b> .	

The G20 should actively promote an integrated ECD-micro-enterprise agenda across its working groups and mobilise Multilateral Development Banks and impact finance to pilot scalable models in LMICs in order to coordinate across working groups to achieve multiple goals simultaneously.<sup>32</sup>



32 Source: <https://documents1.worldbank.org/curated/en/868571468321240018/pdf/92988-REVISED-PUBLIC-WB-ECD-Mar2016-ENG-v2-web.pdf>

## Achievement of specific Working Group agendas leveraging ECD

The following section describes in more detail how integrated investment in Early Childhood Development, towards achieving the goal of universal access, can meet the priorities of different G20 working groups.

### 3.1. ECD achieving human-capital development and inclusion



As highlighted in Section 2, ECD promotes human-capital development and inclusion, which aligns with the G20 Development Working Group (DWG). High-quality ECD improves individual human capital investment, yields very large economic returns and reduces intergenerational inequality. World Bank and UNICEF syntheses show ECD investments generate high returns (commonly cited as US\$6 to \$17 per US\$1 investment in ECD) and act as powerful equalisers.<sup>33</sup> Heckman's lifecycle studies show double-digit percentage returns when early interventions target disadvantaged kids.<sup>34</sup>

South Africa's DWG under the 2025 presidency emphasises development, reducing inequality and financing approaches that reach the Global South. Investing in ECD is a direct instrument to deliver those development and equity objectives. The G20 countries can fund ECD facilities as micro-enterprises as part of DWG led development finance packages, which would also target the poorest communities and thereby maximise the distributional effect.

### 3.2. Improved food security and protection against chronic illness



Increasing the proportion of the child population attending ECD facilities improves food security, because children generally receive at least one meal every day that they attend the programme. Improved and regular nutrition reduces the likelihood that they will develop chronic illness associated with malnutrition.<sup>35</sup> This directly works towards achieving the goals of the Food Security task force initiated by the South African G20 presidency, and also works towards improved health outcomes for children, which is a priority of the Health Working Group.

As such, the Food Security Task Force should explicitly include ECD facility nutrition provision as an element of its stated priorities to improve access to sustainable food systems, because access to feeding programmes and early learning centres is associated with greater food security and health.<sup>36</sup> The Health Working Group should consider fully integrating their plans to improve Primary Health Care with community visits in ECD centres which act as community hubs where children attend regularly.

Since ECD facilities largely operate as local businesses, subsidising ECD entrepreneurs who can then provide nutritious food to children in their facility also stimulates the local food system economy, stabilises demand and acts as a safety net for the most vulnerable children. This is a perfect example of the positive externalities of ECD which accrue to individual children, in terms of food security and

33 Source: [https://www.unicef.org/media/145336/file/Early\\_Childhood\\_Development\\_-\\_UNICEF\\_Vision\\_for\\_Every\\_Child.pdf](https://www.unicef.org/media/145336/file/Early_Childhood_Development_-_UNICEF_Vision_for_Every_Child.pdf)

34 Source: <https://heckmanequation.org/resource/research-summary-lifecycle-benefits-influential-early-childhood-program/>

35 Source: Hurley KM, Yousafzai AK, Lopez-Boo F. Early Child Development and Nutrition: A Review of the Benefits and Challenges of Implementing Integrated Interventions. *Adv Nutr.* 2016 Mar 15;7(2):357-63. doi: 10.3945/an.115.010363. PMID: 26980819; PMCID: PMC4785470. Access: <https://pmc.ncbi.nlm.nih.gov/articles/PMC4785470/>

36 Source: Ettinger de Cuba, Stephanie et al. 2023. Child Care Feeding Programs Associated With Food Security and Health for Young Children From Families With Low Incomes. *Journal of the Academy of Nutrition and Dietetics*, Volume 123, Issue 10, 1429 - 1439



*Providing nutritious meals in early childhood facilities supports children's health, strengthens local food systems, stabilises market demand, and offers a safety net for the most vulnerable.*

health, as well as to the public in terms of lower spending on health care. The Health WG should further consider strategically partnering with the ECD sector due to the proven effectiveness of good childhood nutrition for reducing non-communicable diseases, which is another of their priorities.

### 3.3. Women's labour participation, decent jobs and the care economy



Investing in early learning facilities as micro-enterprises run by entrepreneurs aligns with the priorities in the agendas of the labour and development working groups, as well as the Women20 Engagement Group. Over 300,000 people are employed in the sector (95% of whom are women) and the care economy accounts for more than 10% of total employment. The care economy refers to the broad system of economic activities and jobs involved in providing care services for others, including children, the elderly, people with disabilities, and the sick. It encompasses both paid and unpaid work, but is largely unpaid. Therefore, supporting ECD facilities as micro-enterprises is a powerful catalyst for job creation, gender equity, and economic productivity. Research shows that for every woman employed in childcare, up to 10 others who would otherwise have had to care for their own children at home can enter the workforce, demonstrating the sector's strong employment multiplier effect as well as the potential impact on economic growth.<sup>37</sup>

Since the majority of entrepreneurs starting ECD centres are women, formalising childcare as local micro-enterprises creates paid care jobs and entrepreneurial opportunities which address unpaid care burdens and gender gaps.<sup>38</sup> Moreover, reliable, affordable childcare raises female labour-force participation by enabling mothers to search for work and find employment, and improves women's earning trajectories according to World Bank, J-PAL, and ILO reviews.<sup>39</sup>

<sup>37</sup> Dano, 2021

<sup>38</sup> Source: J-PAL, 2023: <https://www.povertyactionlab.org/policy-insight/access-childcare-improve-womens-economic-empowerment>

<sup>39</sup> Source: World Bank Evidence Brief: <https://documents1.worldbank.org/curated/en/745731642744206440/pdf/Expanding-Access-to-Affordable-and-Quality-Care.pdf>



Credit: Jason Mulikita (Roger Federer Foundation)

*Formalising childcare as local micro-enterprises creates paid care jobs and entrepreneurial opportunities for women, addressing unpaid care burdens and gender gaps.*

South Africa's presidency foregrounds inequality and inclusion; G20 discussions on labour and development explicitly highlight the role of care infrastructure in boosting participation and decent work.<sup>40,41</sup> Formally incorporating ECD micro-enterprise support (grants, business training, quality standards) with labour programmes and social protection to create formal, decent care jobs is a compelling mechanism for achieving the priorities of both the employment and development Working Groups.

### 3.4. Mobilising sustainable & blended finance



Mobilising sustainable and blended finance toward the ECD sector aligns with the Sustainable Finance Working Group (SFWG). The G20 SFWG's 2025 priorities focus on strengthening the global sustainable finance architecture and scaling finance for adaptation and just transitions. They also emphasise mobilising private capital and better Multilateral Development Bank coordination (such as coordination between the World Bank and the African Development Bank). Financing ECD centres as small businesses is a natural fit for blended finance. In this approach, limited public subsidies or guarantees help reduce risks ("first loss"), which then encourages private lenders and social-impact investors to provide the working capital needed for growth. The SFWG has explicit interest in scaling finance to Emerging Markets and Developing Economies and mobilising private capital.<sup>42</sup>

Furthermore, cost-benefit evidence on ECD makes a compelling investment case for impact investors and for inclusion within climate- or resilience-linked financing (because ECD improves social resilience and productivity).<sup>43</sup> A direct policy implication for the SFWG and MDBs is to create a dedicated

40 Sources: <https://g20.org/g20-media/16881/>; <https://www.gov.za/news/media-advisories/government-activities/south-africa-hosts-g20-employment-working-group-meeting>

41 Florencia et. al, TF 4, SB 2, PB 1

42 Source: SFWG Working Group Note: <https://g20sfgw.org/wp-content/uploads/2025/02/2025-G20-SFWG-Note-on-Agenda-Priorities-rev.pdf>

43 Source: <https://ecdpeace.org/work-content/economic-benefits-early-childhood-development-investments?>



*The establishment of digital public infrastructure enables governments to systematically monitor key data on early childhood development, yielding significant benefits for underserved regions, including financial inclusion.*

blended-finance window for ECD micro-enterprises (including technical assistance and catalytic concessional capital) and include ECD as an eligible social outcome in climate-resilience financing instruments.

### 3.5. Digital public infrastructure & MSME growth



The G20 DEWG under South Africa emphasises Digital Public Infrastructure (DPI), DPI public-value measurement, and Micro, Small and Medium Enterprise (MSME) digital innovation. DPI components, such as IDs, digital payments and data exchange, are proven to lower transaction costs and expand formal access to financial and public services.<sup>44</sup> Digitally enabling ECD micro-enterprises, including platforms which enable digital registration, e-payments, mobile monitoring for quality, and linkages to cash transfers increases transparency, formalisation and scale.<sup>45</sup>

For example, DPI platforms which enable identity documentation, G2P payments and vendor registries, have scaled financial inclusion for rural services. Similar building blocks can be applied to credential and payment flows for ECD micro-enterprises.<sup>46</sup> A direct policy implication is that the DEWG should incorporate ECD micro-enterprise use-cases into DPI public-value pilots (e.g., childcare provider registries, digital payments, and quality dashboards) so MSMEs can access G2P subsidies and private markets.

44 Source: <https://documents1.worldbank.org/curated/en/099031025172027713/pdf/P505739-84c5073b-9d40-4b83-a211-98b2263e87dd.pdf>

45 Source: <https://openknowledge.worldbank.org/server/api/core/bitstreams/582c0d73-d367-423c-831d-0640814a7349/content>

46 Source: <https://www.worldbank.org/en/results/2023/10/12/creating-digital-public-infrastructure-for-empowerment-inclusion-and-resilience>

### 3.6. Community resilience & Disaster Risk Reduction (DRR)

The UN Office for Disaster Risk Reduction (UNDRR) and UNICEF both emphasise child-centred disaster risk reduction (DRR) as a critical pillar of community resilience. Local institutions such as ECD centres, preschools, and childcare hubs are often among the first points of contact for families and function as trusted community anchors for dissemination of early warning communication, emergency communication, and continuity of essential services during crises. Investing in resilient ECD facilities by strengthening infrastructure, securing backup water and energy systems, and embedding risk-informed design reduces the physical and psychosocial vulnerability of children, who are disproportionately affected by disasters, and safeguards long-term human development gains.<sup>47</sup>

The G20 Disaster Risk Reduction Working Group places Africa and resilience at its centre in 2025.<sup>48</sup> In many African contexts, community-based ECD centres are among the few social infrastructure nodes present in low-income and hazard-prone areas, making them practical, high-impact entry points for risk reduction. Integrating ECD into DRR financing and resilience planning would thus help operationalise the DRRWG's goal of locally grounded, inclusive resilience. Since community-based ECD centres are practical DRR entry points, the DRRWG should explicitly support ECD infrastructure upgrades through its partnerships with the Sustainable Finance Working Group (SFWG), enabling blended financing models that can fund structural “hardening” of ECD centres, digital and communication linkages, and capacity-building for caregivers and teachers on emergency preparedness and child protection in disasters. Such investment would demonstrate the G20's commitment to linking social development with disaster resilience, ensuring that the youngest citizens are both protected from risk and positioned to thrive in more resilient communities.

### 3.7. ECD Investment as a strategic lever in Global Debt-Relief Reforms

Because debt servicing in many LMICs takes up a large share of government budgets, increases in ECD investment serve as a lever to reduce longer-term fiscal burdens: healthier children consume less health care later, and better early learning reduces remedial education costs and improves lifetime productivity. By investing up-front in ECD, governments can eventually reduce the “cost of inaction” that worsens with accumulating debt and reduces capacity to invest in growth.<sup>49</sup>

In the context of the G20 priority of debt relief and debt restructuring initiatives, using investment in early childhood development becomes a policy tool both for negotiating debt terms and for reallocating fiscal space. For example, saved debt service payments, or relief granted, can be conditioned on or tied to commitments to scale early childhood development services. Alternatively, debt swaps could redirect funds that would have gone to servicing interest into financing universal early childhood development, preschool education, quality childcare, and child benefit programmes. Research by Theirworld and the Learning for Well-being Institute demonstrates that redirecting just 3% of GDP from debt service to early childhood development could lift 166 million people out of extreme poverty across Africa, save 4.1 million children's lives annually, and bring 50.8 million women into formal employment.<sup>50</sup>

47 Source: <https://www.unicef.org/documents/unicef-drr-action-every-country-protected-every-child-resilient> ; <https://www.undrr.org/news/g20-working-group-advances-its-2025-agenda-and-africa-forefront>

48 Source: [https://g20.org/wp-content/uploads/2024/12/Issue-Note\\_DRR-WG-1.pdf](https://g20.org/wp-content/uploads/2024/12/Issue-Note_DRR-WG-1.pdf)

49 Source: <https://key.theirworld.org/resources/early-childhood>

50 Source: <https://theirworld.org/news/early-years-investment-could-rapidly-lift-millions-of-children-out-of-poverty/> <https://actforearlyyears.org/resources/generation-debt-from-crisis-to-opportunity-for-africas-youngest-children/>

## Concrete ask to G20

This report demonstrates that co-ordinated and comprehensive investment in ECD can achieve the priorities of multiple G20 working groups, task forces and engagement groups, over and above those which are directly linked to Education. Therefore, in future years, the G20 should lever an integrated approach to providing ECD services. This will concurrently achieve the goals of multiple G20 working groups. The list below states the specific working groups that should incorporate a coordinated approach to ECD in future.



**DWG:** Recognise ECD micro-enterprises as a core development instrument and include explicit ECD targets in the DWG communiqués and concept notes. This would further meet the objectives of the inclusive economic growth, industrialisation, employment and reduced inequality Task Force.



**Food Security Task Force:** Expanded access to ECD promotes food security for the most vulnerable.



**SFWG:** Create a G20-backed blended-finance window for ECD micro-enterprise scale-up.



**DEWG:** Pilot DPI integrations for ECD (provider registry, digital payments, monitoring dashboards) to reduce transaction costs and improve accountability. This further meets the objectives of the artificial intelligence, data governance and innovation for sustainable development Task Force.



**DRR WG:** Fund resilience upgrades for ECD centres and embed child-centred DRR guidance in national ECD standards.



**Labour WG:** Incorporate ECD micro-enterprise support (grants, business training, quality standards) with labour programmes and social protection to create formal, decent care jobs.



**Women20 Engagement Group:** Recognise and incorporate ECD as a priority area that can contribute powerfully to achieving the stated themes of the engagement group, which are women entrepreneurship and financial inclusion, recognition of the care economy, and labour market participation<sup>51</sup>.



**Children20 Engagement Group:** Identify ECD as a cross-cutting enabler of child rights, health, education, and resilience and include measurable ECD-related indicators such as access to early learning, nutrition, and care services within its monitoring framework for progress on children's well-being.



**Strengthen Ch20–W20 Collaboration:** The Ch20 and the W20 should partner to jointly advocate for investments in the care economy, framing childcare and ECD as both a child right and an economic empowerment strategy for women.

<sup>51</sup> Source: <https://g20.org/track/women-w20/>

## 4.1. Suggested indicators (mapped to G20 priorities)



**Ch20 & EdWG:** # and % of children accessing quality ECD



**DWG:** % increase in disadvantaged children enrolled in quality ECD; estimated lifetime economic return (cost-benefit ratio) per cohort.



**SFWG:** Volume of blended finance mobilised for ECD micro-enterprises; private capital crowd-in ratio; number of ECD micro-enterprises banked/with digital payment access.



**DEWG/DPI:** % of ECD providers registered in national DPI; number of G2P childcare subsidies delivered to registered providers; % of G2P childcare subsidies delivered to registered providers digitally; time to grant disbursement<sup>52</sup>.



**DRR:** # of ECD centres retrofitted to resilience standards; # of centres with early-warning linkages and continuity plans.



**Gender/employment:** Change in female labour-force participation among caregivers in served communities; # of formal care jobs created and average wages.

This learning brief demonstrates how expanding access to ECD would meet the objectives of multiple Working Groups, including the EdWG, DWG, SFWG, DEWG, DRR WG, the Labour WG and the Health WG, as well as Woman20 and Children20 Engagement Groups, the Inclusive economic growth Task Force and the Food Security Task Force.

While it is imperative to invest in ECD due to its human capital importance, it presents a unique lever to achieve many of the priorities that are talked about in the separate meetings and convenings of these Working Groups. Rather than acting in silos, by coordinating their actions and investments, working group leaders could collaborate to achieve universal access to ECD, which would result in the successful achievement of their own goals. This possibility emphasises the benefits of investing in early childhood which are cross-sectoral and highlights the critical need for integrated action.

52 Measuring time to grant disbursement is important because it indicates how efficiently financial support reaches ECD providers once it has been approved. It measures the speed and effectiveness of public funding delivery, which a key indicator of administrative performance and service accessibility, and is also critical for smaller organizations such as ELPs for whom grant transfers are critical for financial sustainability.

The logo features a stylized black 'RF' monogram above the word 'FOUNDATION' in a red, serif, all-caps font.

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