

**Added Value! A study of the impact of ECCD on household incomes and livelihood opportunities**

**Save the Children in Myanmar**



**Studying the Economic Impact on Households of the Save the Children ECCD Program in Myanmar through field research in Theinni, Nyaungshwe and Kani**

*Social*  
**insight**



Myanmar Marketing Research & Development Co., Ltd

## Table of Contents

<b>Executive Summary .....</b>	<b>2</b>
<b>1  Background .....</b>	<b>3</b>
<b>2  Purpose and Objectives of Study .....</b>	<b>4</b>
<b>3  Study Methodology .....</b>	<b>4</b>
<b>4  Findings from the Study.....</b>	<b>6</b>
a. A program valued by communities for its positive impact on children .....	6
b. Improved livelihoods as a significant side effect of children's enrollment in the program.....	8
More time for primary carers.....	8
Livelihood activities in Theinni Township.....	10
Livelihood activities in Kani Township .....	11
Livelihood activities in Nyaungshwe Township .....	12
Increased incomes .....	13
c. Improved Livelihoods as a significant impact of borrowing from the Matching Fund.....	14
d. A program with few negative consequences on livehoods.....	18
e. Qualified projection of the value of additional income across the whole program based on sample .....	19
<b>5  Value for money .....</b>	<b>19</b>
<b>6  Sustainability and Replicability .....</b>	<b>20</b>
<b>8  Conclusions and Recommendations.....</b>	<b>21</b>
<b>Annex .....</b>	<b>23</b>

## Executive Summary

Since 2006, Save the Children has been establishing Early Childhood Care and Development (ECCD) centres throughout Myanmar within the framework of the Transitions Initiative programme. While the positive impact of these centres on children, their families and communities has been demonstrated, anecdotal evidence has indicated that there are also economic benefits to the program.

An evaluation was carried out in October 2010 in Kani township (Sagaing Region), Nyaungshwe township (Southern Shan State) and Theinni township (Northern Shan State) to assess the economic impact on households of the ECCD program.

It confirmed communities' overwhelming satisfaction with the educational aspect of the program. Children enrolled in ECCD centres were said repeatedly to be more active, curious and clean than those who do not take part in the activity. Indeed, 77% of parents interviewed said that enrollment is based on the quality of education; but 15% also stated that it is much easier for them to work more thanks to the program.

A significant side effect of children's enrollment in the program is an improvement in families' livelihoods. Primary carers of young children between 2 and 6 – 83% mothers, 13% relatives such as grandparents and 3% elder siblings, have more time to engage in income generating activities or, for the latter, to resume education in certain cases.

67% of previous carers of children now enrolled in ECCD said they now use their available time to support their household livelihood activity, mainly farming throughout the 3 townships. 12% have started a remunerated livelihood activity, usually casual farm labor, to complement the income of their household.

72% of households stated that their monthly income had increased following enrollment of children in ECCD. About 34% of households stated that they earned as much as an extra 120,000 kyat a year and 26% an additional maximum of 240,000 kyat a year thanks to enrollment of children in the ECCD program. These are remarkable figures showing the impact of the ECCD program on a family's economic situation.

It was also found that borrowing from the ECCD Matching Fund, which 43% of households did, can have a significant on livelihoods. In Theinni and Nyaungshwe townships, respectively 67% and 76% of households said their income grew thanks to the ECCD loan, while the figure was only 19% in Kani township where loans were of a low amount and used for consumption purposes. For almost 50% of those households that experienced an increase in their monthly income, the rise was limited to 10,000 kyat or below.

Save the Children could consider making positive impact on livelihoods a primary objective of the ECCD program rather than a mere side effect. However, the challenge would then be to strike a balance between the immediate physical and educational interests of the children that are at the core of ECCD, and the livelihood needs of families that are also critical to the long term development and wellbeing of children and to the sustainability of centres.

## 1 | Background

The Transitions Initiative is conceived as a partnership between Save the Children, UNICEF and the Ministry of Education, within UNICEF/MoE's Child Friendly Schools<sup>1</sup> (CFS) programme, which is active in 61 of Myanmar's 324 townships to increase access to, and the quality of, basic education for over 60,000 of the poorest children in Myanmar. This initiative also has the potential to benefit a much larger number of children by demonstrating the efficacy of community empowerment, especially the role of children, parents and CBOs, in achieving a smooth transition for children from home to school.

Save the Children started implementing a Transitions Initiative programme in Myanmar in 2006 and has worked in 160 villages in eight townships, five of which are in ethnic areas. In order to reach a broader audience as well as increase knowledge of community-based Early Childhood Care and Development (ECCD) activities, work has begun in Education Colleges, aimed at promoting principles established in the transitions curriculum, a pivotal element in the initiative.

As a result of the programme, access to quality ECCD services should result in many children realizing their full potential in the three domains of child development (Physical, Social-Emotional & Cognitive-Intellectual). In addition, there should be an increase in numbers of children displaying readiness for school (Grade 1) as evidenced by their engagement in the educational process as a result of experiencing a more appropriate curriculum. Save the Children builds on the existing strengths of communities, starting with the principle that participating communities identify their own education needs and opportunities, develop and manage their own programmes, and plan for sustainability from the onset. A one-size-fits-all approach is avoided, with levels of resources adapted to communities' readiness and willingness to engage with the project.

The original program covered 8 Townships, 3 in Shan State (Nyaungshwe, Theinni, Namkham); 2 in Kayin State (Hlaingbwe, Kawkareik); 2 in Sagaing Division (Kani, Kawlin); 1 in Magway Division (Pwintpyu). At the end of 2010, more than 360 communities benefit from it. In addition to the construction of ECCD Centers, the program also consists in a Matching Fund established with support from Save the Children to generate the incomes for the salary of ECCD Centers' caregivers and maintenance costs of the centre. Usually, the community matches the amount supported by Save the Children. To a limited extent and under certain conditions, the Matching Fund can be used as a revolving fund. A specific committee is in charge of managing the Matching Fund and of providing salaries to the caregivers for the sustainability of ECCD services in their community.

There are 3 types of support given by the ECCD program. In main villages, Save the Children provides about US\$ 6,000 or between 80 and 85% of total cost for construction of the ECCD centre, with the community having to contribute in labor and/or in kind to develop its sense of ownership in the project. Regarding the Matching Fund, it is half made of Save the Children grant, the other half being contributed by the community, in main villages and also in extension and adjacent villages. The Fund usually amounts to a total of US\$1,200 at the start of the project. Extension and adjacent villages receive about US\$1,500 for construction of the centre (15%-20% of total). Technical support is fully provided by Save the Children in the 3 villages.

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<sup>1</sup> A child-friendly school (CFS), a concept widely used and promoted by UNICEF, is a school which acts in the interests of the whole child, which includes his or her health, nutrition and overall well-being. It cares about what happens to children in their families and communities before they enter school and after they leave it. The school reflects a quality environment; an environment that is effective for learning; a healthy environment that is protective of children; is gender sensitive; and is involved with children, families and communities. The current CFS programme provides training for teachers, principals and PTAs, and provides teaching and learning resources for schools using nationally set criteria of CFS.

## 2| Purpose and Objectives of Study

Anecdotal evidence from monitoring visits and the Mid Term Review (MTR) have consistently indicated that many parents are freed to work when their children attend the ECCD center. The MTR specifically recommended that Save the Children "Consider[s] a follow up study on the economic benefits to families and communities of ECCD centers".

The ECCD program is planned to end in March 2011. However, Save the Children is eager to pursue and extend the program in regard of the substantial achievements it has achieved since its inception. The purpose of this study is consequently to provide Save the Children with robust data and analysis on the ECCD program's impact on the livelihoods of targeted beneficiaries.

Specific objectives of the study included:

- To establish how many mothers/fathers/siblings/carers are able to take up income generating employment once the child(ren) they care for is (are) in an ECCD centre;
- To find out the type of work these persons do and whether it is regular or seasonal;
- To determine how much additional income is received and how this income is used;
- To explore whether there are any unintended negative consequences of enrolment in the ECCD centre and/or increased time spent on income generation;
- To understand if the ECCD program benefits households' economic situation in other ways;
- To establish how the Matching Fund benefits households in an economic manner;
- To make a qualified projection of the value of additional income across the whole program based on the sample.

The methodology and research tools were designed with the aim to meet these objectives and achieve the purpose of the study.

## 3| Study Methodology

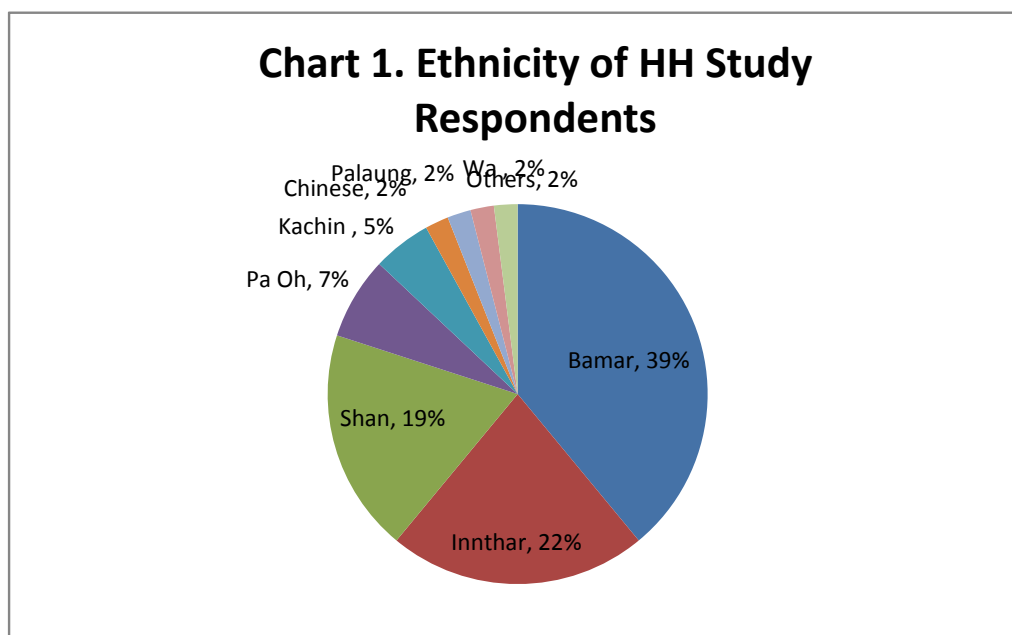
A sample representative of the ethnic diversity of regions where Save the Children is implementing the ECCD program and large enough to draw valid generalizations and conclusions was selected by the external study team, Myanmar Marketing Research and Development Ltd (MMRD), in coordination with Save the Children.

Three program townships, i.e. Kani in Sagaing Division, Nyaungshwe in Southern Shan State and Theinni in Northern Shan State were selected based on two criteria: geographical location and ethnicity. The table below presents the relationship between selected townships and sampling criteria.

**Table 1. Selected Townships and Sampling Criteria**

<b>Township</b>	<b>Geographical Location</b>	<b>Main Ethnic Group(s)</b>
Kani	Plain	Bamar
Nyaungshwe	Lake & Hilly	Shan, Pa Oh, Inntha
Theinni	Hilly	Shan

Kani township is representative of the plain areas while Nyaungshwe and Theinni townships represent hilly areas of Myanmar. Within Kani Township, Bamar communities mostly were interviewed, while in the 2 other selected townships Shan, Pa Oh and Inntha communities were studied.



The chart above shows the overall stated ethnicity of respondents in the household quantitative study. In Kani township, 100% of respondents said they were Bamar. In Nyaungshwe, 70% of respondents were Innthar, 23% Pa Oh and 5% Shan. In Theinni, 56% of interviewees were Shan, 16% Kachin and 7% Chinese.

6 sample villages benefiting from the ECCD program were chosen in each township, adding up to a total of 18 sample villages. In each township, 3 ECCD main villages, 2 ECCD extension villages and 1 ECCD adjacent village were selected.

Regarding research tools, a household level structured questionnaire for quantitative data collection and interview guidelines for qualitative data collection through Focus Group Discussions (FGD) and Key Informant Interviews (KII) were drafted by the external study team in coordination with Save the Children.

In each sample village, Structured interviews were carried out with 15 randomly selected households with child(ren) enrolled in a ECCD centre; a total of 270 households responded to the quantitative questionnaire.

FGD were conducted in every 3 villages in each township, resulting in a total of 9 FGD. The 8-9 participants in each FGD were selected according to 3 criteria: having child(ren) enrolled in a ECCD but not having taken a loan granted through the Matching Fund; having child(ren) enrolled and taken a loan; having no child(ren) enrolled but taken a loan.

**Table 2. Samples per Township**

State/Region	Township	No. ECCD centre	No. of Sample Village	Quantitative Sample	FGDs
Sagaing	Kani	40	6	90	3
Shan(South)	Nyaungshwe	41	6	90	3
Shan(North)	Theinni	45	6	90	3
<b>Total</b>			<b>18</b>	<b>270</b>	<b>9</b>

Key informant interviews were carried out in each sample village with one ECCD caregiver and with one member of the ECCD Management Committee (MC). Accordingly, a total of 18 caregivers and 18 MC members were interviewed for the research. Two teams of 6 field researchers under the guidance of an experienced field controller carried out the data collection in the 3 township in October 2010. They started collectively the research in Theinni township before splitting into 2 groups covering each one of the remaining areas.

## 4| Findings from the Study

Communities studied were all enthusiast about the ECCD program. They praised its benefits, both on children specifically and on families as a whole through a positive side effect on livelihood activities. Households generally viewed the Matching Fund as a necessary mechanism to ensure the sustainability of the ECCD centre. Furthermore, some could use loans from the Fund to invest in livelihoods and increase their economic wellbeing. Negative effects of the program were very limited.

### *a. A program valued by communities for its positive impact on children*

In studied communities, ECCD centres have been available for local households only recently, with slightly more than 50% starting enrollment of their children in 2009 and 2010 (table 3). However, families were found to be already enthusiast about the program. They were appreciative of its benefits on children and perceived clearly the positive impact it has on physical and intellectual development. In Nyaungshwe, FGD participants said “there is a difference of achievement between children who have been sent to the centre and those who have not”.

**Table 3. Year of Enrollment in ECCD Centre**

	Total	Theinni	Nyaungshwe	Kani
2006	3%	1%	0%	7%
2007	27%	23%	29%	28%
2008	20%	21%	18%	20%
2009	40%	49%	36%	34%
2010	11%	6%	18%	11%

Children attending ECCD centres were said to be quicker to learn and curious, understanding different concepts such as colors, shapes and sizes. They are also said to be active, imaginative and creative and to engage in various games. Their communication skills with other children as well as with adults are good and they have appropriate social behavior. Also, children attending ECCD are more aware of hygiene and they notably wash their hands at adequate times.

As can be seen in table 4, carers decide to enroll their children in the ECCD program mainly because they like the way children are cared for. Enrollment for proper engagement in livelihood activities is limited. It must also be noted that children themselves request to attend the centre.

**Table 4. Main Reasons for Enrolling Children in ECCD (Multiple Answers)**

	Total	Theinni	Nyaungshwe	Kani
Like the way children are cared for	77%	77%	69%	87%
In order to work properly	15%	16%	24%	4%
Children want to go to centre	14%	8%	24%	11%

The ECCD program is designed to facilitate the child's transition from home to the government education system. In areas populated with ethnic minority areas such as Theinni and Nyaungshwe, this role of transition facilitator is critical from a linguistic point of view. In government schools in these areas, mother tongues of children such as Shan, Innthar, Pa oh, Kachin, Chinese, etc., are not used. Government teachers often belong to the majority Bamar ethnic group and they are sent on duty to areas whose language they do not know. When children arrive in primary schools without having gone through an ECCD centre, they are suddenly exposed to full time teaching in Myanmar language. This poses a risk to the child's education as a failed linguistic transition from a household where an ethnic minority language is spoken to a government school quick end to his/her enrollment due to failure and parents' frustration.

ECCD centres are staffed with villagers who master both the local language(s) and Myanmar. They support the familiarization with Myanmar language of children whose skills in this language were said to improve substantially during FGD in the 2 hilly townships. For parents from ethnic minority, this aspect of the ECCD program is valued as it prepares their children to move beyond the local context and enter a nation wide education system.

Another positive impact on children was said to be the fact that physical punishment of children is less frequent following training on this topic by Save the Children in the framework of the ECCD program.

The ECCD program is also beneficial for children who are too old to enroll. Some elder siblings of children attending ECCD were able to resume education as they did not have to care for the youngsters anymore. In some cases, enrollment of young children and improvement in livelihoods in relation to the ECCD program combined to make this return to school possible. As stated during a FGD in Nyaungshwe, "elder children who used to take care of children can go back to school now".

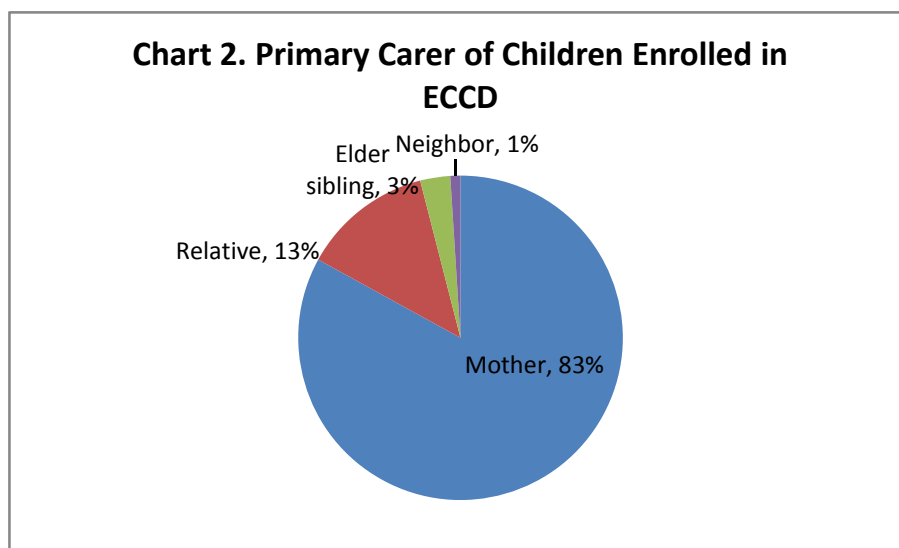


### ***b. Improved livelihoods as a significant side effect of children's enrollment in the program***

The ECCD program is focused on children. However, it also benefits families and communities in various ways. This is especially the case through an improvement in livelihoods of families that have children enrolled in an ECCD centre, a significant impact of the program related to the extra time available for former carers. This impact on livelihoods is remarkable as it is not the main objective of the program but rather a positive side effect of its implementation. It can be asserted that this current impact could be increased if pro livelihood considerations were incorporated into the ECCD program, though such a step should not be taken at the expense of children's interests.

The Matching Fund also contributes to an improvement in livelihoods as will be discussed below (see 4|c.), but it must be noted that its positive impact is not exclusive to families with children enrolled in the program as loans are available to all villagers in the great majority of cases.

#### ***More time for primary carers***



Before the opening of an ECCD centre, children would not enroll in a government primary school before the age of 6. They were under the care of their mothers in most cases (83%), of a relative such as a grandparent (13%) or of an elder sibling (3%; chart 2). According to FGD, mothers would have to stay home and do household chores or some limited income generating tasks, such as corn peeling in Theinni township for instance. If they were to go to work, they would take their young children along, resulting in lower productivity in farming activities notably. When they would leave their children at home under the watch of grandparents or elder siblings, mothers were worried that an accident could happen.

ECCD centres are usually opened from 9AM to 3PM 5 days a week (Monday to Friday), though in a few cases the centre was found to open earlier (7 to 8AM) to support carers that go to work earlier. This leaves about 6

hours a day and 30 hours a week to persons who used to spend this time caring for the children now enrolled in the centre. When asked what are the main benefits of the ECCD program, respondents in the household study stated more time for oneself first, meaning the ability to concentrate on one's activities without being kept busy or worried by the care required by one's child. This most frequent answer was followed by more time for livelihood activities and more time for one's family. 22% of interviewees said that improvement in income was one of the main benefits of the Save the Children's support scheme. Safety of children (12%) was also presented as benefiting livelihood activities due to increased productivity of previous carers (table 5).

**Table 5. Main Benefits from the ECCD Program (Multiple Answers)**

	Total	Theinni	Nyaungshwe	Kani
Has more time for oneself	58%	56%	61%	57%
Has more time for livelihood activities	39%	41%	39%	37%
Has more time for one's family	38%	56%	30%	28%
Improvement in income	22%	17%	29%	21%
Safety of children	12%	8%	18%	11%
Easy to obtain loans	1%	1%	1%	0%

67% of primary carers of children now enrolled in ECCD said that they now use their available time to support their household livelihood activity. The figure is particularly high in Kani township (79%) where carers usually contribute to the farming of beans and pulses on land owned by the household. In Theinni, carers participate in subsistence rice cultivation and commercial maize farming. In Nyaungshwe, carers can grow a variety of crops, from tomatoes to sugar cane, as households engaged in a wider range of livelihood activities there. While 19% of carers haven't engaged in another activity, 12% have started to do additional external livelihood activity to complement the income of their household. This refers to paid casual labor undertaken by some primary carers, for beans and pulses farming in Kani, maize cultivation in Theinni and a range of activities in Nyaungshwe. 2% of carers still have to watch children below 2 that cannot be enrolled in the program.

**Table 6. Activity of primary carers after enrollment of children in ECCD**

	Total	Theinni	Nyaungshwe	Kani
Increased household livelihood activity	67%	66%	58%	79%
None	19%	20%	24%	14%
Additional external livelihood activity	12%	11%	17%	5%
Caring for other children	2%	3%	1%	2%

Livelihoods in the 3 studied townships are focused mainly on agriculture. Business opportunities are limited for various reasons in villages, so more free time is not easily translated into income generation.

***Livelihood activities in Theinni Township***

**Picture 1. Map of Theinni Township with names of 6 Studied Villages**

Theinni township is a mountainous area in Northern Shan State close to the border with China. It is populated mainly by Shan, Kachin and Chinese minorities. Communication and transportation means are limited. Upland cultivation is practiced, of rice and various vegetables for subsistence purposes, of maize for commercialization to China through buyers and wholesalers based in Theinni town who then export via border trading gates. 75% of households with cultivated land said they grew maize as their main crop over the past year, and this reliance on a single cash crop makes them vulnerable to variation in demand and price of the Chinese market. 30% of households participate in off-farm activities, especially maize skin peeling, small scale trading and street hawking.

In Theinni township, carers with time freed by enrollment of children in the ECCD program going to market engaged in a limited number of livelihood activities. Some are able to go to the local market that rotates over 5 days in different villages to sell homegrown vegetables. This trading activity was said to bring an extra income of 3,000 to 4,000 kyat per day of market attended. The only opportunity for casual work is in maize cultivation, such as land preparation and harvesting, but it is a cycle of 3 months only. Still, it was said in a FGD that “during previous cultivation time, mothers could not do casual labor as they needed to take care of their children at home. Today, mothers can earn 2,000 kyat a day as children are sent to the center”. Also, in these rural areas some households assist each other alternatively with agricultural tasks and mothers were

able to contribute more in this manner too. Some households were said to have invested extra money gained through trading and casual work in small scale poultry breeding.

### ***Livelihood activities in Kani Township***

**Picture 2. Map of Kani Township with Black Dots for 6 Studied Villages**



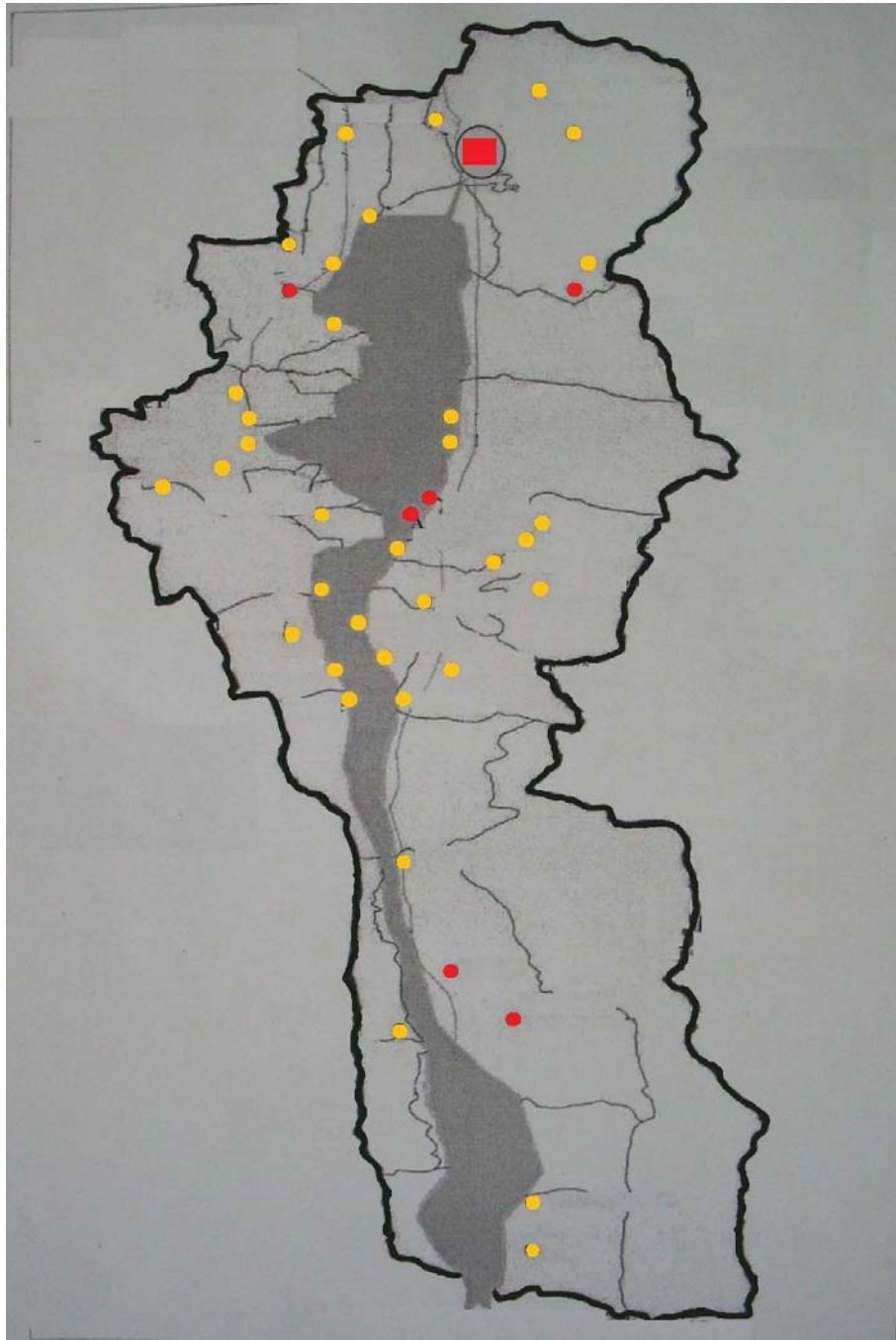
Kani is located in the Myanmar Dry Zone West of Mandalay. It is mostly inhabited by Bamar populations. For villages that do not have access to the Chindwin river and its affluents nor to main roads, transportation is rendered difficult by “sand stream”, dried up streams that fill up during the rainy season. Beans and pulses are the primary crops grown for 71% of households that own cultivated land. Casual labor opportunities are widely available throughout the year in Kani, with half a day of work from 6AM until 12PM paying 750 kyat with lunch provided; a full day of work earns 2,000 kyat. In this township, 80% of households own livestock. 49% participate in off-farm activities, especially gold panning and street hawking.

Enrollment in the ECCD program allowed landowners (78% of respondents in household study) to reduce agricultural expenses as work contribution of a family member spares the hiring of a casual worker. Mothers in landless households were able to do paid casual work and increase the family income. In villages on the banks of rivers, former carers could sell food and other items to travelers. They could also access towns

easily to attend markets and sell homegrown vegetables. Time of mothers and of elder siblings could also be used to take livestock grazing.

***Livelihood activities in Nyaungshwe Township***

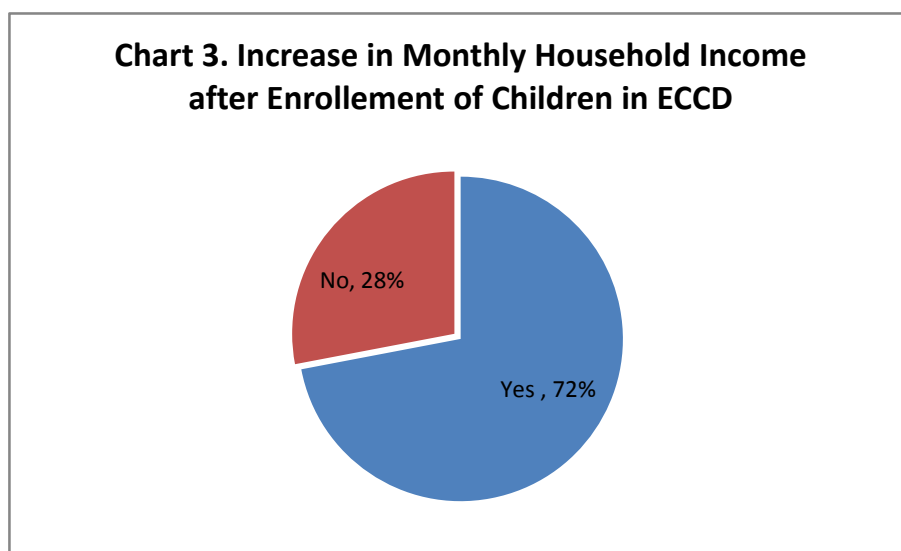
**Picture 3. Map of Nyaungshwe Township**



In Southern Shan State, Nyaungshwe township is well known for Inle Lake. Its population is diverse with Innthar communities living on and around the lake and Shan and Pa Oh communities in the hills around. Nyaungshwe has a more diversified agriculture than Kani and Theinni, with 26% of households with cultivated land growing maize as their primary crop, another 26% the leaf of sebesten tree, 20% tomatoes on floating garden and 5% sugar cane. 23% of households studied said they are engaged in fishing, an activity done by men. 36% engage in off-farm activities, including small scale retailing with the opening of a shop at home, maize skin peeling and cigarette rolling. Also, the tourism industry offers a limited number of low qualified and low paid job opportunities in hotels for some local villagers.

In Nyaungshwe, former carers, especially mothers, can now do casual work for maize, tomato and sugar cane farming, work in tourism industry, do onion peeling at home, and attend the 5 day rotating market to sell home grown vegetables. Tomato farming on floating gardens in the lake was said to be very profitable last year (2009) when prices were reportedly high and good income enabled many households to buy TVs and motorbikes.

### ***Increased incomes***



72% of studied households stated that their monthly income had increased following enrollment of children in ECCD (chart 3). This is a remarkable figure for a program which focus is education with side effects on livelihoods.

About 47% of households with an increased income (34% of total households) stated that they earned as much as an extra 120,000 kyat a year and 36% (26% of total households) an additional maximum of 240,000 kyat a year thanks to enrollment of children in the ECCD program (table 7). This is a substantial increase as mean household yearly income in the three townships can be estimated at around 1,500,000 kyat a year.

**Table 7. Amount of Monthly Increase in household income after enrollment of children in ECCD (Base= HH that experienced increase)**

	Total	Theinni	Nyaungshwe	Kani
Up to 10,000	47%	41%	52%	46%
10001-20000	36%	33%	37%	37%
20001-30000	7%	9%	7%	6%
30001-45000	6%	9%	1%	8%
Above 45000	4%	7%	3%	3%

The supplementary income was used for the purchase of household goods, livelihood activities, healthcare and to fund education for elder children. 24% of interviewed households stated an increase in the number of household goods in their possession after entering the ECCD program. The increase of their possession was not only household goods but also house renovation, building new houses and construction of toilets. 17% reported an increase in livelihoods assets, especially fishing nets in Nyaungshwe, farming implements in Theinni and land in Kani.

In addition, the ECCD program also created in each targeted village employment for 2 or more caregivers who work 5 days a week in the centre. Their salaries vary between 25,000 and 35,000 kyat per month, a low yet stable amount that contributes to an increased household income.

There were some limits to the spill over of the ECCD program's benefits to the livelihood sector. Opening times of the centre are customized to the needs of children, not to those of working parents. Some mothers could rely on elder siblings or relatives to bring the children to the centre when they were going early to work in the fields or to trade in a nearby town; but such arrangement was not possible in every household. Also, some households living far from the centre had to accompany and pick up children, thus dedicating time and effort for what they considered to be in the educational interest of their children.

However, extra time offered to carers of young children to engage in various income generating activities resulted in significant increase in income of families, demonstrating that the ECCD program could play a dual role for education and livelihoods.

### ***c. Improved Livelihoods as a significant impact of borrowing from the Matching Fund***

The Matching Fund of the ECCD is established to provide a sustainable financial means to cover the salaries of caregivers and pay for maintenance costs of the centre. The ECCD Management Committee (MC) is in charge of its administration, especially that of loans to villagers whose interest rates are aimed at increasing the total amount of the Fund.

In all the intervention villages, 600,000 kyat from Save the Children are matched by a similar amount contributed by communities. At the start of the project, the Fund thus amount to about US\$1,200.

Overall, 43% of studied households borrowed from the ECCD Matching Fund. With 38%, borrowing villages in adjacent villages were lower than in the 2 other types of villages. More significantly, while 70% of households in Kani township took loans, they were only 13% in Theinni township (table 8).

**Table 8. Borrowed from ECCD Matching Fund**

	Total	Theinni	Nyaungshwe	Kani	Main villages	Extension villages	Adjacent villages
Yes	43%	13%	47%	70%	44%	44%	38%
No	57%	87%	53%	30%	56%	56%	62%

There is a substantial variation in the loan amounts between the 3 townships that affects the percentage of borrowers. In Theinni, the majority of loans (75%) are more than 50,000 kyat and fewer people borrow from the Matching Fund. In Kani, 75% of loans are 20,000 kyat or less but a higher percentage of households take them. In Nyaungshwe, loans vary and no significant pattern can be seen (table 9).

**Table 9. Amount Borrowed from ECCD Matching Fund**

	Total	Theinni	Nyaungshwe	Kani	Main villages	Extension villages	Adjacent villages
Up to 20000	56%	17%	40%	75%	40%	75%	71%
20001-50000	21%	8%	33%	14%	20%	20%	24%
50000-100000	16%	42%	17%	11%	28%	5%	0%
100001-250000	7%	33%	10%	0%	12%	0%	6%

Members of MC have come up with different loan strategies through consultation with communities to ensure the growth of Matching Funds, with some having more than doubled over 2 or 3 years in Theinni and Nyaungshwe townships especially. Alternative ways to loans to increase the Fund were also used, such as donations. In one village in Nyaungshwe township, villagers donated paddy once during harvest time, and money from the sale (56,000 kyat) was put in the Matching Fund. In addition, fees charged to families enrolling children in ECCD centres were also added to the Fund in some cases.

In Theinni, loans between 50,000 and 200,000 are taken by households for livelihood purposes. An interest rate of 5 to 7% is charged and households have between 6 months or more to pay back. In Kani, 20,000 is generally borrowed at an interest rate of 5 to 8% to be paid back over 6 months. The loan is used for livelihood activities, but also often for household expenses (29%). In Nyaungshwe loans between 10,000 and 200,000 are usually spent for livelihood activities. Repayment takes place over a 6 month period and interest rates are about 5 to 7% (table 10).

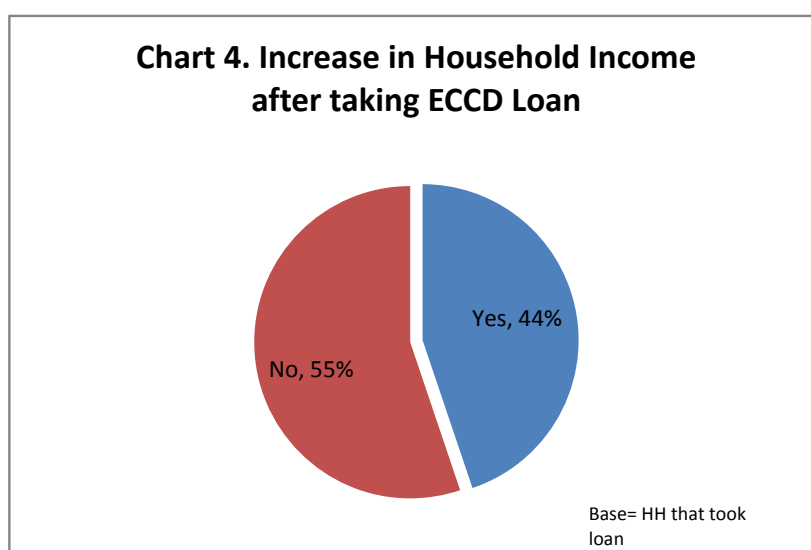
**Table10. Main Usage of ECCD Matching Fund Loan (Multiple Answers)**

	Total	Theinni	Nyaungshwe	Kani	Main villages	Extension villages	Adjacent villages
Family livelihood activity	64%	100%	83%	44%	63%	75%	41%
<b>Start a new livelihood activity</b>	<b>7%</b>	<b>0%</b>	<b>7%</b>	<b>8%</b>	<b>5%</b>	<b>13%</b>	<b>0%</b>
Children's education	12%	8%	12%	13%	12%	8%	24%
Household expenses	15%	0%	0%	29%	20%	3%	29%



Few households used the loan to start a new livelihood activity. This is related to the scarcity of business opportunities as stated above (4|b.). For instance, it is possible to buy piglets for about 35,000 to 40,000 kyat in Kani township and raise them, but pig feed is expensive and it is not easy to access markets where to sell pigs at a good price. Nevertheless, some success stories were heard during FGD. In Theinni township, a person who used to be a casual laborer was reportedly able to buy a low cost Chinese-made motorcycle with a 200,000 kyat loan from the fund. He is now transporting goods between villages and also back and forth between the Chinese border and his income has increased significantly.

Loans from the Matching Fund were also used in some cases to pay for the cost of children's education. This is particularly the case in adjacent villages with 24% of studied households stating thus usage. Indeed, Save the Children's support to these villages' ECCD centres is limited in terms of infrastructure work and villagers seem to find it more difficult to afford enrollment there.



Overall, less than half of studied households experienced an increase in their income after taking the ECCD loan (44%; chart 4).

However, this is mostly because few households in Kani and in adjacent villages throughout the 3 townships benefited from such an increase. In Theinni and Nyaungshwe townships, respectively 67% and 76% of households said their income grew thanks to the ECCD loan (table 11). 12% of studied households that took an ECCD loan reported an increase in the number of household goods they possess. 19% said there had been an increase in their ownership of livelihood goods.

**Table 11. Increase in Household Income after Taking ECCD Loan**

	Total	Theinni	Nyaungshwe	Kani	Main villages	Extension villages	Adjacent villages
Yes	44%	67%	76%	19%	50%	50%	12%
No	55%	25%	24%	81%	48%	50%	88%

For almost 50% of those households that experienced an increase in their monthly income after taking the ECCD loan, the rise was 10,000 kyat or below. Still, this amounts to a significant figure of 120,000 kyat per year.

**Table 12. Amount of Increase in Household Income after Taking ECCD Loan**  
(Base= HH that experienced increase)

	Total	Theinni	Nyaungshwe	Kani	Main villages	Extension villages	Adjacent villages
Up to 10,000	48%	63%	50%	33%	50%	40%	100%
10001-20000	35%	37%	31%	42%	43%	25%	0%
20001-30000	6%	0%	9%	0%	0%	15%	0%
30001-45000	6%	0%	6%	8%	7%	5%	0%
Above 45000	6%	0%	3%	17%	0%	15%	0%

The first aim of the Matching Fund is to finance caregivers' salaries and building maintenance expenses, not to support and stimulate income generation activities of households. Contribution to livelihoods is thus limited, because it is not directly intended.

Some villagers in Kani township especially feel forced to take the loan even though they don't need it as a way to pay for the ECCD expenses. In these cases, small scale of about 20,000 kyat loans are seen as a kind of contribution that every household must make and whose amount is spend on consumption rather than investment.

However, the Fund is well intended and it provides an alternative to moneylenders that charge high interest rates. ECCD rates are between 5 and 8%; moneylenders charge 10 to 15%. For instance in Nyaungshwe, villagers used to buy fertilizers on loan with high interest rates to be repaid after harvest and selling of crops. They can now pay cash a pay lower rates back to the Fund.

Villagers seem indeed quite satisfied with the present interest rates, and in any case they fear that reducing them to increase effectiveness of loans for livelihoods activities could endanger the salaries of the caregivers and thus jeopardize the main aim of the ECCD program. Among the borrowers, 95%, i.e 41% of all participants in the study, easily repay back their loans to the funds.

It was suggested that training on livelihood activities should be provided to support the usefulness of the loans. Several respondents reported that even though the possibility exists to take a loan, they do not know what to do with it. Market and Training Needs assessments in targeted areas would help determine income generating opportunities. In a FGD held in Theinni township, it was said that Save the Children should give technical trainings on cottage industries.

Simultaneously to the providing of adequate livelihood trainings, the amount of Matching Funds could be increased to allow for the disbursement of bigger loans that are more appropriate for livelihood activities. A way to increase the Fund is to enforce the collection of monthly fees for enrollment in ECCD centres. In some villages in Theinni, monthly fee is 2000 kyat and MC members were dedicated to collect it. In Kani, the fee of 500 kyat was often waived for poor families. However, with the right information about the long term usefulness of a bigger Fund, it is likely that households would accept to disburse 500 kyat a month to increase the communities' capacity to borrow and invest.

However, money from the Fund is sometimes used to buy nutritious snacks or uniforms for children. Again, the program faces a trade off between education, the main objective of ECCD centres, and positive impact on livelihood activities as a virtuous side effect of the program.

#### *d. A program with few negative consequences on livelihoods*

The ECCD program was greeted by most villagers (83%) as without negative effects (table 12). As stated above, families are very satisfied with the educational contribution of centres; they also value the positive side effect the program has on their livelihoods.

**Table 12. Main negative effects of the ECCD Program**

	Total	Theinni	Nyaungshwe	Kani
None	83%	72%	96%	85%
Much time spent on ECCD related tasks	14%	26%	3%	12%
Cost incurred by enrollment in ECCD	3%	2%	1%	3%

In Theinni and Kani townships, respectively 26% and 12% of respondents regretted that they need to spend much time on ECCD related tasks. This includes accompanying and picking up children to and from the centre, a particularly time consuming task in Theinni where the landscape is mountainous. However, the fact that no instance was found where distance led to children being taken out of an ECCD centre shows that parents value its impact on children's development.

Most villagers also contributed time and sometimes money during the construction of the centre; in some communities former carers are alternatively in charge of cleaning up the building. This can be seen as time consuming by some persons, but not by most.

Moreover, costs incurred by the program (contribution in cash and kind; monthly attendance fee) are partially offset by increased income received thanks to children's enrollment in a centre.

Finally, some parents stated that they find it hard sometimes to give lunch boxes and snacks to their children. However, this is related to the difficult economic situation in these targeted communities with low income level rather than to the program. This is another sign that more direct support to livelihood activities is needed, in part to ensure continued attendance of children in ECCD centres.

### ***e. Qualified projection of the value of additional income across the whole program based on sample***

It is challenging to make a qualified projection of the value of additional income across the whole program for various reasons.

Most targeted households are engaged in farming activities and their income can vary substantially from one year to another depending on the market price of crops and the harvest outcome. For instance, families growing tomatoes on floating gardens on Inle lake in Nyaungshwe township had an excellent year 2009 due to high prices, and many said they were consequently able to buy durable goods such as motorbikes and TV sets. Mothers whose time was freed by the ECCD centre could support the activity, but their contribution to the increased income was in all likelihood very limited in comparison with the impact of high prices.

Another issue is that labor is not always monetarized in rural areas of Myanmar. In Kani township one day of casual labor on a beans and pulses farm is usually paid 2000 kyat and half a day 750 kyat, with a meal whose cost could be evaluated and added up to the income received as saving. In Theinni township, households often support each others alternatively with farming tasks such as land preparation and harvest for paddy or corn. No wage is paid as this is part of village solidarity practices.

Moreover, many interviewed households stated an increase in income after enrolling their children in the ECCD centre. Some also said their revenue grew after taking the loan. More free time and availability of affordable loans sometime combine to support income generation of households; sometime it does not. For instance, a number of cases were observed, in Kani township and Theinni township especially, where well off households benefited from ECCD low interest loans to fund existing activities, with freed carers not engaging in work. Such households would have used the traditional moneylending system had the Matching Fund not provided loans. It is questionable that the interests saved by such a mechanism should be added to the value created by the program.

Faced with such complexities and others, MMRD is of the opinion that projection of the value of additional income created by the program in studied areas and beyond cannot be evaluated in a robust manner with data currently available. It is unquestionable that the ECCD program has created value for families. Calculation of this value would require a sophisticated approach to incorporate the numerous variables and caveats that this research touched upon.

## **5| Value for money**

ECCD centres are relatively inexpensive projects with substantial benefits for communities. It costs about US\$6,000 to build a centre in main villages, to whose construction villagers contribute in kind and through their work in most cases. In extension and adjacent villages, these costs are even lower as community owned available buildings will be renovated and transformed into ECCD centres.

Training is provided to local caregivers who can in turn transmit knowledge to parents and spread better education and caring practices in many families. Villagers seem attached to ECCD centres that progressively become focal point of communities where people meet and discuss about shared social issues and interests.

The Matching Fund is a self sufficient sustainable manner to cover salaries of caregivers and pay for maintenance of building. Its growth through loans' interest rates, donations and the collection of attendance fees can ensure that more caregivers are recruited and that extension of the building is carried out if requested by increased number of pupils, for instance. The Fund is also a manner to teach about accounting practices, to empower the community and bring it together around a shared goal.

Moreover, as demonstrated in this report the program also has positive impact on livelihoods in targeted villages, with communities reporting increased incomes thanks to more time available for income generating activities. This is particularly remarkable and this beneficial side effect on livelihoods of a program focused on education should be maximized through appropriate measures.

## **6| Sustainability and Replicability**

The success and sustainability of the ECCD program is due to its focus on community needs and abilities. External knowledge is brought to targeted villages but, beyond the funding needed to set up the centre and Matching Fund, local human and financial resources only are used.

Caregivers are recruited within the community and taught about child-centered educational approaches. Members of the MC are instructed about accounting practices to support their management of the Fund. Abilities taught to these groups of people then trickle down to families.

The positive side effects of the ECCD program on livelihoods improve its sustainability, as communities with dynamic and resilient livehood activities are more likely to remain committed to the program. Indeed, the economic wellbeing of families with children enrolled in the program is essential to its sustainability and ways to support it more directly could be incorporated within Save the Children ECCD program.

The study was conducted in a diversity of socio-economic environment and no substantial impediment to the implementation of the program was found. Through its community based approach, the ECCD program is replicable in many contexts. Interest rates and repayment periods for loans taken from the Matching Fund can be decided through village consultation meetings under the leadership of members of MC who are themselves nominated by communities. ECCD centres seem indeed well adapted to the different contexts of Myanmar.

## 8| Conclusions and Recommendations

The ECCD program is highly valued by targeted communities for its valuable contribution to children's intellectual, emotional and physical development. Numerous respondents were enthusiastic about the difference they could observe in children's behaviour following their enrolment in ECCD centres. Clever, curious, active and social were frequently used adjectives in this respect. Accordingly, the ECCD program clearly meets its educational objective: playful early learning activities for children below 6 to prepare them for a good transition from home to primary school.

Through this study, it was also found that enrolment in the ECCD program has a significant impact on livelihoods in targeted communities. About 34% of households stated that they earned as much as an extra 120,000 kyat a year and 26% an additional maximum of 240,000 kyat a year thanks to enrollment of children in the ECCD program. Main carers of young children, i.e mothers, have more time to engage in family livelihood activities, mainly farming, and they can do so while knowing that their children are being taken care of in a safe environment. In some cases, elder siblings could resume their education thanks to enrolment of the youngsters in an ECCD centre and/or extra income generated by such an enrolment.

It was also demonstrated that the availability of loans at affordable interest rates through the Matching Fund mechanism set up by the ECCD program contributes to an improvement in livelihoods of targeted communities.

However, a challenge posed by these findings is that of striking a balance between the immediate physical and educational interests of the children that are at the core of the ECCD program, and the livelihood needs of families that are also critical to the long term development and wellbeing of children. In this respect, a positive impact on livelihoods could become a primary objective rather than a side effect of the program, though this should not affect negatively the quality of educational services provided to children with the ECCD centres.

- **Mainstream livelihood activities into the ECCD program/** Until now the positive impact of ECCD centres on livelihoods has been a side effect rather than a central component of the program. Children and their educational interests should remain at the core; however the family's capacity to generate an income and to improve its wellbeing is also an important element of children's development as well as of the sustainability of the program.
- **Maximize the positive impact of the ECCD program on livelihoods through appropriate capacity building/** The contribution of the program to improving targeted communities' livelihoods is already significant but it could be increased through appropriate measures. Business opportunities are limited in studied areas and some former carers do not know how to use the extra time available. Support for other activities than income generating ones could be provided and home gardening and livestock breeding for nutrition should be encouraged. Former carers also do not know what use to make of available loans as their disbursement is not accompanied by related trainings in livelihood activities. Cottage industry activities could be introduced through capacity building and the creation of linkages with potential markets.

- **Maximize the positive impact of the ECCD program on livelihoods through appropriate funding/** Substantial and rising Matching Funds are critical to the sustainability of ECCD centres. They enable centres to grow and adapt according to the needs of communities. Ways to make them increase, such as donations at harvest time, the enforced collection of ECCD enrolment fees and most prominently borrowing by villagers must be pursued. Regarding the latter, the borrowing of large sums to implement business plans based on knowledge from livelihood trainings would be most beneficial to communities. As shown in Kani township, small loans aimed only at collecting a kind of contribution for children from community members is misspent on consumption and not invested. Mainstreaming livelihoods into the ECCD program would ensure that the potential of loans to promote income growth is reached.

## Annex

**Sample allocation of the study in three townships**

State/Division	Township	Village	Type of Village	No. of KII	No. of FGD	HH sample
Shan(North)	Theinni	Kawng Haw	Main	2		15
		Kawng Lauk Sauk	Extension	2	1	15
		Pang Son	Extension	2		15
		Pang Hkam	Main	2		15
		Nam Hkam Aun	Main	2	1	15
		Nam Sa Larp	Adjacent	2	1	15
Shan(South)	Naung Shwe	Loi Hkaw Kyaung Nar	Adjacent	2	1	15
		Min Chaung (East)	Main	2		15
		Kone Thar	Main	2		15
		Sam Kar	Main	2	1	15
		Ah Lei Myaung	Extension	2	1	15
		Par Nway	Extension	2		15
Sagaing	Ka Ni	Tha Lin	Main	2		15
		Taung Pauk	Adjacent	2	1	15
		Yin Yein	Main	2	1	15
		Sin Oh	Main	2		15
		Aing Thar	Extension	2		15
		Let Pan Su	Extension	2	1	15
Total				36	9	270