PRB

POLICY BRIEF
FOR DONORS

Closing a Systemic Blind Spot: Why Donors Are Strategic Actors in Strengthening Care Systems

Donors occupy a distinct position in the development financing landscape. Because their support is not bound by a single ministry's mandate or budget line, they are well positioned to finance beyond sectoral silos – funding the cross-sectoral coordination across health, education, and social protection that sector-based government budgets are rarely designed to support, and sustaining innovation and systems-level change that governments may struggle to initiate under existing fiscal and institutional constraints. They are also well positioned to finance the public goods that underpin effective policy design–data systems, analytical tools, observatories, workforce development, and coordination mechanisms–investments governments frequently struggle to prioritize within constrained budgets.

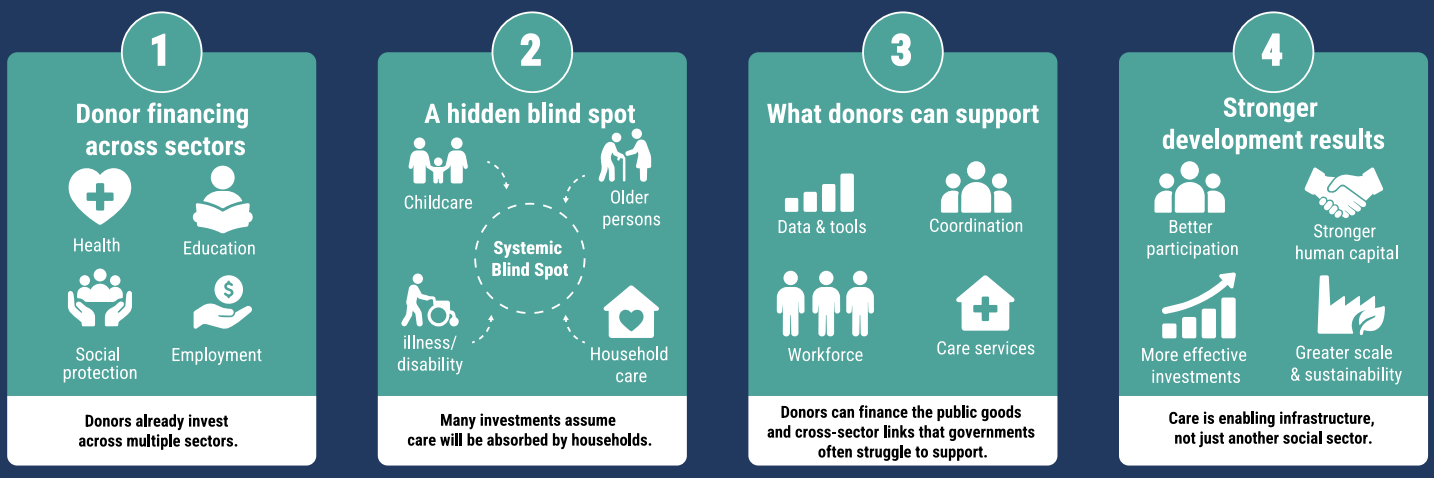
Yet many development investments depend on a function that is rarely measured, planned, financed, or coordinated: care – enabling infrastructure for economic and social participation, much like transport, energy, and digital systems. Investments in health, education, employment, social protection, and human capital frequently assume caregiving needs–of children, the ill, older people, and people with disabilities–will simply be absorbed within households, an assumption that creates a systemic blind spot that is quietly affecting the performance of investments donors are already making.

A skills training program for women may underperform not because the training is poorly designed, but because participants cannot consistently attend without childcare – an unaddressed care barrier that gets misread as a design or implementation failure. Care is therefore not simply another social sector competing for resources; it's a cross-cutting input that shapes the effectiveness of investments across sectors.

Few actors are as well positioned as donors to address this blind spot: donor financing can help enable and incentivize the cross-sectoral coordination – across health, education, social protection, and infrastructure ministries – that sector-based mandates do not always reward on their own.

The challenge, then, is not simply increasing investment in care. It is to recognize care as enabling infrastructure and integrate it into development financing so that investments across sectors can achieve their intended impact. It is about improving how existing investments are connected, coordinated, and translated into stronger development outcomes.

Care Systems Improve How Existing Investments Connect, Perform, and Scale



Why Care Systems Matter

Care influences far more than the households in which it takes place. It shapes labor markets, productivity, human capital formation, demographic outcomes, and public service delivery. Many investments donors finance—education, health, employment, social protection—depend on care functions to achieve their intended results, yet these functions often remain invisible in program design and budget planning.

This invisibility carries a cost. Investments are frequently designed and financed sector by sector, with little attention to how care cuts across them. The result is fragmented programming that reduces effectiveness and limits collective impact. A care systems approach addresses this by connecting the data, services, infrastructure, workforce development, financing, and policy decisions that shape how care is provided and supported.

Just as no single ministry is responsible for care, no single donor investment creates a care system on its own. Care systems emerge through the interaction of multiple investments, institutions, policies, and services across sectors. Donors may not see themselves as funding "care" specifically, yet many investments they already support shape how care is provided, who provides it, and how care-related constraints affect development outcomes.

It is important to be clear about what this does not mean. Care is not another sector competing with health, education, or infrastructure for limited donor resources. Rather, a care systems approach provides a framework for improving the performance of investments donors already make across these sectors by ensuring that the caregiving functions on which those investments depend are recognized, supported, and accounted for.

Understanding where care-related constraints exist and how they interact requires evidence capable of revealing hidden bottlenecks and guiding investment decisions.

Key Evidence Relevant to Donors

For donors, the challenge is no longer demonstrating that care matters. A growing body of evidence shows that, in many countries, the value of unpaid care work rivals or exceeds that of paid labor, and women absorb most of it. The more pressing challenge is identifying where investments can generate the greatest impact and how limited resources can be allocated more effectively across competing priorities.

For donors, evidence is most useful when it helps answer investment questions. Where are the hidden constraints? Which populations are most affected? Which sectors are affected simultaneously? Which investments could unlock the greatest impact? And which tools translate evidence into planning, budgeting, and financing decisions? The table below illustrates how four complementary tools support different stages of that process.

From Evidence to Decisions

TUS, NTTA and DDMI reveal constraints; BSDD translates that evidence into decisions.

Stage	Tool	What it does
Visibility of care constraints	Time Use Surveys (TUS)	Identifies hidden care burdens and where they create bottlenecks in labor, education, and productivity.
Future care and demographic needs	National Time Transfer Accounts (NTTA)	Reveals intergenerational flows of care and how demographic change reshapes future demand.
Investment prioritization	Demographic Dividend Monitoring Index (DDMI)	Identifies demographic and development gaps, highlighting strategic areas for investment.
Planning, budgeting, and financing decisions	Budgeting Sensitive to the Demographic Dividend (BSDD)	Translates evidence into planning, budgeting, and investment decisions.

This distinction matters for donors: the question is no longer whether care matters, but where to invest, for whom, through which mechanisms, and with what expected returns. TUS evidence, for example, can reveal whether a development constraint is linked to inadequate childcare, limited water access, poor transportation, or gaps in eldercare—moving the discussion from identifying problems to selecting the investments most likely to unlock broader development gains.

BSDD deserves particular attention. Many development investments do not suffer from a shortage of data or diagnostics; they suffer from a weak connection between evidence and resource allocation. Donors routinely fund research and evaluations that never meaningfully shape budgeting decisions. BSDD addresses this gap directly—it is not simply another tool in the evidence chain, but the mechanism that connects evidence to investment decisions.

What This Means for Donors

Understood this way, care systems offer donors an investment platform rather than a standalone sector. Because care functions cut across health, education, employment, and social protection, integrated investments can generate returns across multiple sectors simultaneously. An investment in community-based childcare, for example, can increase women's labor force participation, support early childhood development, and create employment in the care workforce, all at once. The same logic applies to eldercare and disability support – care needs that cut across age groups and that tools like NTTA are now making visible, but that remain largely unfunded in most donor portfolios.

Better evidence improves allocation decisions, and better allocation decisions improve value for money–a consideration of growing importance as donors face pressure to demonstrate impact. Strategic investments can also leverage public financing by generating the evidence governments need to justify future budget allocations. In this way, donor funding can improve the effectiveness of individual projects and their scalability and sustainability.

Donors are also uniquely positioned to play a catalytic role. Because care functions cut across sectors, investments in evidence, policy translation, coordination mechanisms, and system-building can generate benefits well beyond a single project. Strategic donor funding can help governments identify bottlenecks, test integrated approaches, build the evidence base for public financing, and strengthen the institutions required for long-term implementation. Ultimately, the greatest contribution of donor financing may not be funding care services directly, but creating the conditions that allow larger public and private investments to become more effective, better coordinated, and more sustainable over time.

Priority Actions

What are the highest-leverage investments a donor can make? Three types of investment can help close the systemic blind spot in care while strengthening the performance of investments donors are already making.

Three investment levers for donors, from evidence to scale.

Lever	Priority investments	Why this matters
1. Make better investment decisions	TUS, NTTA, DDMI, and BSDD — data systems and policy translation tools	Better evidence does more than improve understanding. It improves resource allocation.
2. Remove the bottlenecks that limit outcomes	Childcare, eldercare, and disability services; water, transport, and energy infrastructure; care workforce development	These investments remove constraints that limit the effectiveness of investments across multiple sectors.
3. Build systems that can scale	Integration into national planning and budgeting; institutionalization within local governments; monitoring, evaluation, and coordination platforms	Systems investments help successful interventions endure beyond individual projects and funding cycles.

Donors do not need to create a new funding stream for care. The greater opportunity is to strengthen the evidence, institutions, services, and coordination mechanisms that improve the effectiveness of investments already being made.

Why This Matters Now

For years, the central argument in this field was that more evidence was needed. That argument no longer holds with the same force. Time Use Surveys exist. NTTA exist. The DDMI exists. BSDD exists. Observatories, data platforms, and pilot initiatives already operate across the region, many built with donor support. For the first time, the building blocks needed to move from recognizing that care matters to investing strategically in care systems are largely in place.

This shift is reinforced by what is becoming harder to ignore. As employment, training, health, and education programs are evaluated, the same constraint keeps resurfacing: caregiving responsibilities that program design assumed would simply be absorbed within households. At the same time, donor priorities have shifted toward value for money, systems strengthening, and locally led, scalable approaches. A care systems approach is well positioned to advance all three.

Care is not a new sector seeking donor funding. It is a systemic blind spot that affects the performance of investments donors are already making. The question is no longer whether care matters—it is whether donors will use the evidence, tools, and institutional foundations that now exist to invest more strategically.

Learn More

Explore the full reference report, companion policy briefs developed for different audiences, and additional materials.

Elevating Unpaid Care Work as a Policy Priority in Francophone West and Central Africa. More information about PRB's work on care

(in English) (en Français)

Explore Data and Analytical Tools

National Transfer Accounts (NTA)-Country Briefs.
Tracks economic production, consumption, and transfers across age groups.

National Time Transfer Accounts (NTTA)
Measures unpaid care and household work across generations.

Budgeting Sensitive to Demographic Dividend
Assesses whether budgets support demographic dividend priorities.

Demographic Dividend Monitoring Index
Tracks a country's readiness to achieve a demographic dividend.

ILO-Measuring Unpaid Domestic and Care Work.
Measures unpaid care and domestic work.

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