

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC17399

Project Name	Early Childhood Development Project (P151916)
Region	SOUTH ASIA
Country	Sri Lanka
Sector(s)	Pre-primary education (90%), Public administration- Education (10%)
Theme(s)	Education for all (90%), Other human development (10%)
Lending Instrument	Investment Project Financing
Project ID	P151916
Borrower(s)	Ministry Of Finance and Planning
Implementing Agency	Ministry of Child Development and Women's Affairs
Environmental Category	B-Partial Assessment
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Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

Sri Lanka has experienced significant economic growth over recent years, coupled with notable achievements in human development. Despite the country's 26-year conflict, the 2004 tsunami and the global recession, its economy has grown at an average of 6 percent annually over the last decade. Per capita GDP in 2012 was US\$2,923, a three-fold increase since 2002. Sri Lanka is now classified as a lower-middle-income country, with only 8.9 percent of its population living under the national poverty line of Rs.3,028 per month in 2010. The country is also on target to achieve most of the 2015 Millennium Development Goals.

Despite these achievements, shortcomings remain in various areas of human development which may affect the country's future growth potential. Although the incidence of poverty at the national level declined substantially from 26.1 percent in 1990 to 8.9 percent in 2010, poverty rates in the estates and rural areas remain much higher than in urban areas. While over a million people came out of poverty in the last decade, many hover just above the poverty line and are at high risk of

falling back into poverty. In the area of child nutrition, according to data from 2012, 21.9 percent of children aged 0-5 years were either moderately or severely underweight with low weight-for-height and 15.1 percent were stunted with low height-for-age. Education, a key determinant of both economic and social development, is another area in need of improvement. While school participation at the primary level is near universal, net enrollment rates decline progressively in higher grades. Participation at the preschool level (3-5 year old children) is less than 50 percent. These developmental gaps are more pronounced in certain sub-populations and regions.

To accelerate economic growth and move up the development ladder, Sri Lanka needs to strengthen its human capital and bridge human development gaps. Global evidence indicates that investment in universal early childhood development (ECD) contributes to the development of human capital in two ways. First, it enhances children's readiness for primary school and leads to better educational outcomes. Second, by providing underprivileged children with early support, ECD minimizes disparities in learning which would otherwise increase over time, while supporting human capital development across socio-economic groups. There is strong evidence that children from economically disadvantaged families are at a greater risk of poor cognitive development than those from richer households. As early gaps in cognitive development continue to widen over time, developmental disadvantages faced in early childhood can reduce learning and earning opportunities later in life. The provision of high quality universal ECD compensates for shortcomings faced by poor children in their home environments and helps disadvantaged households and communities break the vicious cycle of poverty transmitted across generations. Another benefit of ECD provision is that child care services can help poor families to increase their income by enabling young mother to participate more readily in the labor market.

The Government of Sri Lanka (GOSL) recognizes the importance of human capital formation, including the role of ECD for realizing the country's long-term development goals. Sri Lanka's national development strategy, encapsulated in the Mahinda Chintana (2011-2016), articulates GOSL's intent to promote equitable, broad-based economic growth through the expansion of infrastructure, rural development and investment in human capital (World Bank 2012). The strategy recognizes the importance of ECD for developing the country's human capital and ensuring equitable growth.

Sectoral and Institutional Context

'Early childhood' in Sri Lanka is generally considered to be the period from conception to age 5 when a child enters primary school. Within this age range, ECD services in Sri Lanka can be divided into two groups: home-based services for the 0-2 year age group, including prenatal care, and center-based services for children in the 3-5 age range. ECD programs for the first group are well-established, with the health sector playing a lead role in ensuring the holistic development of children in this age group. These ECD services are robust and their coverage is wide.

Center-based ECD programs for children in the 3-5 age range are less developed. Sri Lanka has around 17,020 ECD centers staffed by 29,340 teachers. Around 84 percent of these centers are under private management or run by NGOs and other non-government entities. The central government agency with primary responsibility for overseeing ECD service delivery is the Children's Secretariat in the Ministry of Child Development and Women's Affairs (MCDWA). At the same time, in accordance with the 13th Amendment to the Sri Lankan Constitution, the Provincial Councils (PCs) are responsible for managing implementation of ECD activities at the provincial level. There are several key challenges facing this sub-sector.

Access

Low coverage: Enrollment of 3-5 year olds in ECD centers has been increasing in recent years. According to the Household Income and Expenditure Survey (HIES), however, only 46 percent of children in this age group were enrolled in ECD centers .

Inequitable access: For the 3-4 year age group, ECD center enrollment rates are higher for children from richer households and urban areas. The ECD enrollment rate for the richest quintile (56%) is 17 percentage points higher than that for the poorest quintile (39%). Similarly, the enrollment rate for urban areas (59%) is around 10 percentage points higher than the enrollment rates in the rural areas and estates (plantations). Findings from multiple regression analyses of HIES data also indicate that location and household economic status are key determinants of access, implying that the availability and cost of center-based ECD services negatively impact participation. Other factors leading to disparity in access include a lack of awareness among rural parents of the importance of ECD, an insufficient number of ECD centers in poor areas and a lack of ECD centers which cater to children with special needs.

Quality

Inadequate national standards and compliance monitoring system for quality management: The lack of a national curriculum framework and child development standards, including various physical, socio-emotional and cognitive competencies, pose challenges to the delivery of high quality ECD services for children in the 3-5 age range. GOSL is developing a set of child development standards to guide teaching-learning processes in ECD centers. These will need to be reviewed to ensure that they cover all aspects of holistic child development. Another challenge is ensuring that ECD centers meet minimum standards and requirements for preschool facilities and staffing levels per government guidelines. The existing system for monitoring compliance with guidelines is weak and there is a need for greater clarity on the division of responsibility between central and provincial authorities for monitoring ECD activities at the local level.

Inadequate physical facilities and inputs: On average, both government-and non-state-managed ECD centers lack adequate resources, including teaching-learning materials, equipment and physical facilities. Centers have only limited materials and equipment for indoor use, and such materials, where available, are not extensively used by the children. Many centers have poor physical infrastructure and do not meet basic safety and hygiene standards. Centers also lack adequate facilities for children with special needs.

Poor quality of the ECD teaching force: Government guidelines require ECD teachers for the 3-5 year age group to have A-level qualifications and at least one year of professional ECD training. Less than half of ECD teachers meet these requirements. Approximately 43 percent have completed A-levels and only around 39 percent have received one year of professional training.

Financing

Public expenditure on education, overall, and on ECD, in particular, is low in Sri Lanka. Education expenditure as a percentage of GDP was 1.75 percent in 2013, the smallest share of public investment in education in South Asia and among countries that share similar development

characteristics. Public expenditure on ECD in Sri Lanka, at less than 0.0001 percent of GDP, is significantly lower than ECD expenditures in other middle-income countries. ECD provision in Sri Lanka is largely dependent on private sector financing with households directly paying for services. The result of this paucity of public support for ECD is that the utilization of ECD services places a significant financial burden on poor households.

There are strong arguments for investing in ECD from the perspective of enhancing human capital formation, equalizing learning and earning opportunities across population groups and accelerating economic growth and poverty reduction. There is evidence that ‘investing early is investing smartly’ and that investments in ECD offer among the highest returns of any human capital investment. The potential benefits of investment in ECD cannot be maximized, however, unless sectoral challenges, including low coverage, inequitable access and poor quality of ECD service provision, are properly addressed. The Mahinda Chintana includes the promotion of ECD as a priority area for national development and emphasizes the provision of quality services and equitable access to them.

Relationship to CAS

The World Bank’s Country Partnership Strategy (CPS) for Sri Lanka (2013-2016) focuses on three areas of engagement to support Sri Lanka’s development goals. The proposed Project is clearly aligned with the third area, namely, “improving living standards and social inclusion”. Given the likely high returns from investment in ECD and its potential to promote a more equitable society, the CPS Progress Report (2014) states that the Bank will support GOSL’s efforts to mainstream reforms in this area through an ECD project. Complimenting ongoing Bank financial and technical support for education in Sri Lanka, including for secondary and higher education and skills development, the CPS plans to support GOSL’s efforts to shift toward a knowledge-based, globally integrated and competitive economy through continued investment in education and training. The proposed Project would directly address these objectives by enhancing the quality of ECD programs which would, over the longer term, help meet the needs of the labor market in a growing economy.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The proposed Project Development Objective is to enhance access to and improve the quality of ECD services for 3-5 year old children in Sri Lanka.

Key Results (From PCN)

1. Increased ECD participation rate for 3-5 year olds [Access]
2. Increased number of ECD centers meeting the national quality standards [Quality]
3. ECD learning standards revised [Quality]

III. Preliminary Description

Concept Description

GOSL currently has an embryonic ECD program (framework) encapsulated in different policy and plan documents, including the National Policy on Early Childhood Care and Development, the National Plan of Action for Children of Sri Lanka 2013-17 and the Sri Lanka Budget which includes a three-year plan. The program reflected in these documents identifies key challenges in the ECD sector, policy directions and activities for implementation. It provides a foundation for the proposed IDA-financed operation which will support implementation of selected strategic areas and components of the existing program. Drawing on the findings of an ECD study conducted by the

World Bank in FY 2013-14, the proposed operation would enable GOSL to further develop this program into a more coherent and comprehensive one.

The proposed IDA-financed operation would include two components. Component 1 would provide support for the expansion and quality enhancement of ECD service delivery. It would seek to increase access to ECD services in unserved and underserved areas of Sri Lanka and enhance the quality of services across the country. Component 2 would finance technical assistance, program management and monitoring and evaluation.

The operation to support implementation of GOSL's ECD program would be financed through a US \$50 million Investment Project Financing (IPF) using a result-based funding modality. Disbursements would be made against selected eligible budget items in the annual budgets, or 'Eligible Expenditure Programs' (EEPs). Disbursement would be conditional on the achievement of pre-specified results measured by Disbursement-Linked Indicators (DLIs). Government stakeholders, including the Ministry of Finance and Planning (MoFP) and MCDWA, have expressed their preference for this financing approach.

Component 1: Program Support for the Expansion and Quality Enhancement of ECD Services

Guided by the national ECD framework, the Project would focus on two areas to improve the provision of ECD services in Sri Lanka: (i) expanding access to ECD services, and (ii) improving the quality of ECD provision.

(i) Expanding access to ECD services

Both demand and supply-side interventions would be used to make ECD more accessible to all and increase enrollment of children in the 3-5 year old age group.

Demand-side interventions

Parental awareness and interaction programs: Parental awareness programs would be conducted across the country to help families (parents, relatives and care-givers) better understand the importance of holistic child development and encourage the use of ECD centers in their communities. These programs would also include regular meetings of parents, moderated by facilitators, to discuss child development principles and approaches. Targeted towards parents of children in the 0-5 year age group, these programs would provide information on parenting skills for early stimulation, approaches to learning for children with special needs, plus child health and nutrition. To enhance the effectiveness of such programs, they would be linked to nutrition campaigns targeting mothers and children. Different stakeholders, including government agencies, civil society organizations and non-governmental organizations (NGOs), would work in partnership to conduct these programs.

Fee subsidies to ECD centers in selected underserved areas: To increase the enrollment of children who would not be able to attend ECD classes due to financial constraints, the Project would provide fee subsidies to centers in selected underserved areas. Participating ECD centers, including both state- and non-state-run centers, would be required to lower their per child fees to a predefined level. They would also be required to provide a certain number of full fee waivers for the poorest

children. To compensate for the loss of income faced by centers as a result of fee reduction and fee waivers, the Project would provide cash payments to them according to the number of enrolled children. The selection of underserved areas for fee subsidy support would be based on poverty mapping information from the Department of Census and Statistics and administrative records of the MCDWA.

Supply-side interventions

Construction and upgradation of facilities in unserved areas: The Project would finance the construction of new ECD facilities in unserved areas after mapping existing ECD facilities across the country. The national mapping of ECD facilities to identify unserved and underserved areas would be completed prior to Project effectiveness.

Space for the construction of facilities would be identified and provided by provincial councils, local government authorities and beneficiary communities. Construction grants could be used to build new facilities on government- or community-owned or common land. They could also be used to add ECD facilities to existing government- or community-owned structures. Furniture, equipment and teaching-learning materials would be provided under the Project.

In unserved areas where existing building space is made available by communities for use as ECD centers, the Project would provide funds to renovate and furnish these structures in accordance with GOSL's minimum quality standards for ECD facilities. Teaching-learning materials would be provided under the Project.

The new ECD centers in unserved areas would have teachers with the minimum prescribed qualifications. These teachers would be eligible for teacher training support under the Project.

Support for centers in underserved areas: Most ECD centers in Sri Lanka are run either by the private sector or by NGOs, temples and churches. In underserved areas, the Project would provide financial support to both state- and non-state-run centers to expand enrollment beyond existing levels. Support would be in the form of annual performance-based grants where each center receives a cash award for increases in enrollment over that of the previous year. The Project also proposes to support underserved children in orphanages and those from marginalized groups, such as fishing communities, plantations/estates and urban slums.

(ii) Improving the quality of ECD provision

To improve the quality of ECD provision in Sri Lanka, the proposed Project would support quality management, the provision of material inputs, the improvement of ECD facilities and training for ECD teachers, trainers and administrators.

Quality management: The Project would finance the revision of the curriculum framework and child development standards which guide the teaching-learning processes in ECD centers. The revision would focus on promoting holistic, child-centered, play/activity-based approaches for children's cognitive and non-cognitive development and prepare them for primary school. The Project would support the development of teaching-learning materials for teachers and 3-5 year old children in the Sinhalese, Tamil and English languages. Development of these materials would be guided by the curriculum framework and standards endorsed by GOSL. The Project would also support

strengthening GOSL's existing minimum quality standards and registration system for ECD centers.

Provision of teaching learning materials: To help ECD providers enhance the quality of services, the Project would support the provision of age-appropriate quality teaching-learning materials to both state- and non-state-run centers. Priority would be given to centers in remote and/or underserved areas. A sound monitoring and evaluation (M&E) system would be put in place to ensure proper utilization. of the support provided by the Project.

Improvement of existing ECD center facilities: Eligible state and non-state-run ECD centers would receive block grants to improve their physical facilities. Centers not meeting the quality standards set by the government would be required to use these funds to bring their facilities to a minimum level. Other centers would have greater flexibility in using the funds for improving their facilities. All centers receiving Project funds for quality improvement would have to attend to the requirements of children with special needs. Priority would be given to centers in remote and/or underserved areas. To be eligible for support from the Project, centers would have to provide detailed data to the Project on the state of their facilities when seeking funding.

Training of ECD teachers, trainers, and administrators: The Project would support the development and delivery of training programs for ECD teachers, teacher trainers and administrators, including new teachers hired in program-supported centers. As an initial step in the development of training programs, GOSL would prepare and endorse a comprehensive capacity development plan for these stakeholders.

Two categories of training for ECD teachers would be supported: (i) short-term training programs for in-service teachers, freshly recruited incoming teachers and potential new teachers; and (ii) one- to two-year long ECD certificate and diploma programs. To encourage learning through peer interaction, the Project would support teacher exchanges across ECD centers. Given that children's smooth transition from pre- to primary school depends partly on the primary school teachers' understanding of child development principles, the Project would support short orientation programs on holistic child development for primary school teachers and head teachers. These training programs would give special emphasis to approaches for facilitating the learning of children with special needs, and activities/techniques aimed at enhancing the development of cognitive skills. The Project would prioritize training for ECD teachers from geographical areas which lag behind others in terms of teacher training and qualifications.

Short-term training would be delivered through a combination of state- and non-state-run training institutions which have formal partnerships with ECD centers for providing trainees hands-on experience. Certificate and diploma programs would be delivered by universities and other recognized institutions. The Project would provide funds to these institutions for scholarship support to qualified and financially needy candidates interested in pursuing these programs.

The training of trainers supported by the Project would prepare the necessary pool of trainers to deliver different types of ECD training to teachers across the nation. These training programs would also be delivered by a combination of state and non-state providers. Training for administrators would focus on the capacity development of the different units and agencies, at all levels of government, engaged in implementing ECD activities. It would cover a broad range of topics, including administration, planning, budgeting, procurement, financial management, ECD domain knowledge and computer literacy.

Component 2: Program Management, Technical Assistance and Monitoring and Evaluation (M &E)

Program management: The Project would finance incremental program management costs, consulting services, transportation, equipment, staff training and other administrative expenses incurred during implementation.

Technical assistance: The Project would support the review and revision the embryonic national framework to bring greater coherence and consistency to the setting of objectives for and the planning of ECD programs and activities in Sri Lanka. The framework would be revised through extensive consultation with stakeholders in the sector. The Project would provide support for technical assistance to the program management team in a number of areas including, inter alia, institutional analysis, the preparation of guidelines, the development of information systems, training, monitoring and evaluation, procurement, financial management and social and environmental safeguards.

M&E and feedback system: The Project would develop and implement a robust and comprehensive ECD monitoring and evaluation system to ensure compliance with quality assurance standards and provide constructive feedback to ECD centers. While overall responsibility for carrying out and coordinating M&E activities under the Project would lie with the Children's Secretariat, relevant units at each administrative level would be responsible for local-level monitoring and data collection and entry. The Project would develop and use an electronic management information system (MIS), which would include ECD mapping data, as an integral part of the M&E system. The MIS would allow decentralized entry of data on ECD centers, teachers and children and the continuous updating of monitoring information. The Project would also support tracking studies, impact assessments and other research activities.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10			x
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	50.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
Financing Source			Amount

BORROWER/RECIPIENT	0.00
International Development Association (IDA)	50.00
Total	50.00

VI. Contact point

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