

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: PIDA22494

<b>Project Name</b>	Early Childhood Development Project (P151916)
<b>Region</b>	SOUTH ASIA
<b>Country</b>	Sri Lanka
<b>Sector(s)</b>	Pre-primary education (90%), Public administration- Education (10%)
<b>Theme(s)</b>	Education for all (90%), Other human development (10%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P151916
<b>Borrower(s)</b>	Ministry of Finance
<b>Implementing Agency</b>	State Ministry of Children's Affairs (SMCA)
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/Updated</b>	06-May-2015
<b>Date PID Approved/Disclosed</b>	07-May-2015
<b>Estimated Date of Appraisal Completion</b>	08-May-2015
<b>Estimated Date of Board Approval</b>	25-Jun-2015
<b>Appraisal Review Decision (from Decision Note)</b>	The Chair authorized the team to appraise and negotiate the project.

## I. Project 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 around 65 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. 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 mothers 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, in realizing the country's long-term development goals. Accordingly, GoSL has recently established a special State Ministry of Children's Affairs to promote the development and wellbeing of children in the 0-5 age group. It has also developed a draft National Plan for Early Childhood Care and Development (NPECCD) (2015-2020) , to guide interventions in the ECD sector.

### **Sectoral and institutional Context**

Early childhood' in Sri Lanka is generally considered to be the period from conception to age 5. Within this age range, ECD services in Sri Lanka can be divided into two groups: home-based services, including parental care, for the 0-2 year age group , 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. As a recent sector analysis has indicated, ECD services for this age group 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 non-state management . The central government agency with primary responsibility for overseeing ECD service delivery is the Children's Secretariat (CS), housed within the State Ministry of Children's Affairs (SMCA). At the same time, in accordance with the 13th Amendment to the Sri Lankan Constitution, the Provincial Councils (PCs) are also responsible for managing implementation of ECD activities at the provincial level. The key challenges facing this sub-sector are summarized below.

#### **Access**

Low coverage: Enrollment of 3-5 year olds in ECD centers has been increasing in recent years. According to the 2012 Census, however, only 50.7 percent of the 1.09 million children in this age

group were enrolled in state- and non-state run ECD centers across the country .

**Inequitable access:** There are significant disparities in access to ECD services. For the 3-4 year age group, ECD center enrollment rates are higher for children from richer households and urban areas. According to the Household Income and Expenditure Survey (HIES), 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 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

**Poor quality of physical facilities and inputs:** Evidence from a national survey of ECD centers indicates that less than half of the ECD centers in the country have physical facilities that meet basic requirements for ECD instructional quality: only 41% have basic indoor instructional equipment; 38% have sufficient outdoor play equipment; and approximately 36% have the necessary learning materials. More specifically, the major constraints faced by these centers include the lack of furniture such desks/chairs that are appropriate for young children and limited teaching-learning materials such as blackboards, play material etc. Moreover, approximately 25% of centers lack any source of drinking water and 12% have no sanitation facilities, and even where they do exist, sanitation facilities are often inadequate. Many 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.

**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.

**Child under-nutrition:** Child under-nutrition is a widely acknowledged and serious concern for Sri Lanka. Center-based ECD services are a key entry point to address this problem because they provide a platform for educating all members of the ECD community (including teachers, parents and even children) on best practices to improve and maintain the health and nutritional status of young children.

## II. Proposed Development Objectives

The proposed Project Development Objective is to enhance equitable access to and improve the quality of ECD services.

## III. Project Description

### Component Name

Expanding and strengthening the delivery of ECD services

### Comments (optional)

### Component Name

Project management, and monitoring and evaluation (M &E)

### Comments (optional)

## IV. Financing (in USD Million)

Total Project Cost:	50.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			50.00
Total			50.00

## V. Implementation

The overall responsibility for Project implementation will lie with SMCA, a state ministry under the Ministry of Policy Planning, Economic Affairs, Child, Youth and Cultural Affairs (MPPEACYCA) (or the Office of the Prime Minister). SMCA will work closely with other relevant ministries (Local Government, Health and Education), the Provincial Councils and PHDT to implement the Project. The oversight of the Project will be carried out by a Project Steering Committee (PSC).

**Project coordination:** The PSC, chaired by the Secretary of SMCA, will oversee management of the Project. It will review progress, approve annual work plans and budgets, take timely policy and practice decisions and endorse project implementation. The PSC will have representatives from all implementing agencies.

**Project implementation:** The focal person for the Project will be the Secretary of SMCA. The Children's Secretariat (CS) within SMCA will be responsible for Project coordination and implementation. It will be supported by a dedicated project management unit (PMU) that will also carry out the financial management and procurement functions for the project, while the finance and procurement units under the Additional Secretary Administration will handle the day to day financial and procurement activities of SMCA. The PMU will also be responsible for consolidating all progress and financial reports to be submitted to IDA. The Director of the CS will report to the Additional Secretary Development and work closely with the PMU to oversee project activities. The CS and the PMU will be adequately staffed to effectively implement the Project. The Project will make resources available to SMCA to finance additional technical staff as and when required to

implement the Project. Detailed job descriptions of all positions in the PMU will be provided in the Project's operational manual (OM).

## VI. Safeguard Policies (including public consultation)

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

**Comments (optional)**

## VII. Contact point

### **World Bank**

Contact: Saurav Dev Bhatta  
 Title: Senior Economist  
 Tel: 5770+6124  
 Email: sbhatta@worldbank.org

### **Borrower/Client/Recipient**

Name: Ministry of Finance  
 Contact: Ajith Abeysekera  
 Title: Department of External Resources  
 Tel: 94112484698  
 Email: ajith@erd.gov.lk

### **Implementing Agencies**

Name: State Ministry of Children's Affairs (SMCA)  
 Contact: S.A.D.S Subasinghe  
 Title: Secretary  
 Tel: 94-11-2187156  
 Email: subasingheofficial@gmail.com

## VIII. For more information contact:

The InfoShop  
 The World Bank  
 1818 H Street, NW  
 Washington, D.C. 20433  
 Telephone: (202) 458-4500  
 Fax: (202) 522-1500  
 Web: <http://www.worldbank.org/infoshop>