



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 29-Sep-2019 | Report No: PIDC192105



BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P171063		Moderate	Community-based Childcare for Garment Factory Workers Project
Region	Country	Date PID Prepared	Estimated Date of Approval
EAST ASIA AND P	Cambodia	29-Sep-2019	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Planète Enfants & Développement	Planète Enfants & Développement	

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	2.70
Total Financing	2.70
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	2.70
Japan Social Development Fund	2.70

B. Introduction and Context

Country Context

Cambodia reached a lower middle-income economy status in 2015 following two decades of sustained annual growth averaging 7.6% per year, however future sustained growth is expected to be constrained by a host of economic, human capital, and public administration challenges. Recent pro-poor growth is reflected in the official estimates of Cambodians living under the national poverty line falling from 47.8% in 2007 to 13.5% in 2014. However, most of those escaping poverty remain just above the poverty line.[1]



The rapid growth of the Cambodian economy over the past two decades has been accompanied by significant steps towards gender equality in the labor market. The expansion in manufacturing and services jobs, fueled by the garment and hospitality sectors, has led to a threefold increase in female wage employment in less than a decade. In 2016, 42% of working women held paid occupations, almost half of which were in the garment sector. ILO estimates show that the country has retained the highest female labor force participation (LFP) rate (80%) and the lowest LFP gender gap (10%) in the East Asia and Pacific region (EAP).[2] While the country's economy is becoming more and more feminized, a significant gender gap in earnings has persisted and remains unexplained by observable characteristics. In addition, despite the expansion of wage work, large numbers of men and women still rely on non-wage (vulnerable) occupations.

Malnutrition is a persistent human development challenge in Cambodia and the economic loss due to child stunting is estimated at US\$130 million per year.[3] Child stunting (low height-for-age) rate in Cambodia was at 32% in 2014, high according to World Health Organization (WHO) public health thresholds. Children in the bottom wealth quintile are twice as likely to be stunted compared to children in the wealthiest quintile. Stunting negatively affects children in achieving their cognitive potential later as adults, hampering future human capital development. The factors contributing to malnutrition and stunting are multi-faceted, inadequate nutrient intake and diseases being immediate determinants.

[1] The World Bank (2017), Cambodia Poverty Reduction, Draft Cambodia Poverty Update report.

[2] Dimitria Gavalyugova and Wendy Cunningham, Gender Analysis of the Cambodian Labor Market, The World Bank (2018).

[3] CARD, UNICEF and WFP (2013), The economic consequences of malnutrition in Cambodia: A damage assessment report.

Sectoral and Institutional Context

Cambodia has a total of 1,159 of garment factories, providing jobs to more than 800,000 people, approximately 90% of whom are women.[1] Kampong Spue province, the main target area of the proposed project, has total of 116 garment factories and provides wage employment for total of 112,288 workers (84.09% are female workers).[2] The sector accounts for \$5 billion, or roughly 80 percent, of Cambodia's total export revenue. While some garment workers live in dormitories at factories and some live nearby, many travel long distances back-and-forth to work each day and some are migrant workers. Many workers commute to work by tightly-packed minivans or open buses that have a high risk of road accidents. Better Factories Cambodia (BFC) refers to this as the "killer commute," finding that in 2015, 130 workers died and more than 7,000 were injured during their commute to work.[3]

Lack of access to affordable, good quality childcare has been highlighted by the UN High-Level Panel on Women's Economic Empowerment as well as the WBG Gender Strategy as a key barrier to women's access



to more and better-quality jobs. IFC's Tackling Childcare research shows that lack of childcare options can translate into higher employee turnover and absenteeism, lower employee satisfaction and productivity, and difficulty in recruiting top talent.[4] This is because the unavailability or unaffordability of care can affect parents' choices regarding taking up paid versus unpaid work. This is a key concern for women as globally they perform 75% of unpaid care work. Conversely, access to childcare provision can enable more women and men to participate in better, paid jobs.

Supporting childcare can also help companies enhance their corporate reputation with international buyers and access higher-value markets. These higher-value markets require compliance with various labor standards, such as provision of equal opportunity and childcare.

Apart from the social and business benefits of providing childcare, access to childcare also provides economic opportunities stemming from greater gender parity and women's economic participation. Women are half the world's working-age population but generate only 37% of global gross domestic product (GDP). This is because women provide 75% of the world's unpaid care, including childcare, elder care, cooking, and cleaning. A McKinsey Global Institute study estimates that women's unpaid work amounts to \$10 trillion worth of output per year, roughly equivalent to 13% of global GDP. The study estimated that closing gender gaps in economic participation by 2025 would add \$12 trillion to global GDP, increasing global GDP by 26%.[5] Developing options for affordable childcare centers in Cambodia therefore has the potential to reduce time spent on unpaid work and narrow the gender gap. This in turn could have a host of benefits, including women's greater financial independence, ability to pursue wage-earning opportunities, and labor force participation. In addition, children who have access to early childhood education and care are more likely to perform well in school and to be healthier and more productive as adults. Hence, childcare can result in a win-win situation for employees and their children, employers, and economies.

The regulatory environment matters. Establishing labor regulations for employer-supported childcare can significantly impact women's labor force participation and early childhood care and development. In order to incentivize return to the workforce after childbirth, several governments have instituted policies prompting private sector employers to support childcare provision. Recognizing the impact that childcare provision can have on women's employment, countries such as Ecuador, Bangladesh, Brazil, India, Japan and Jordan, have unveiled policies requiring companies to provide childcare options. In 11 of 50 economies examined by the World Bank Group's Women, Business and the Law team (WBL), employers are legally required to provide or support childcare. Among these, Ecuador and India have gender agnostic policies and require employers to support childcare based on the number of total employees, whereas the majority require childcare provision based on the number of female employees. Cambodia falls within the majority. Finland, Ghana, Brazil, and Costa Rica provide additional examples of national childcare regulations. In Finland, municipal early child education is available from when maternity/parental leave ends until the child attends primary school. Parents can also choose to use private daycare centers, with fees covered by the Social Insurance Institution through the Private Daycare Allowance. In Ghana, Brazil and Costa Rica,



preschool is free and compulsory starting at age four. Such policies make childcare more affordable and accessible, enabling parents to stay in the workforce.[6]

The Cambodian Labor Law (1997), Article 186, requires enterprises employing more than 100 women to either establish a daycare center on-premises for children 18-36 months of age, or to pay for employee's childcare costs elsewhere. The Law does not provide details as to how childcare costs outside of the factory are to be covered, including no guidance as to how much should be paid and for what. A 2017-2018 ILO assessment of factory compliance found that 72% (283) of factories are non-compliant, offering no form of support for employee childcare. For those factories that are considered compliant, there are almost no operating on-premises daycares. Rather, factories usually pay childcare allowances to workers. Consultations with factory managers and garment buyers revealed that the primary reasons why factories do not provide care include: such an additional cost would endanger the marginal profitability of factories and potentially make them non-competitive; having infants and young children on factory premises creates a risk of physical harm; factories do not have the competency to manage child care facilities; sufficient space is not available on premises; and the physical risk of transporting children to-and-from home to the factory, especially given the high number of road accidents.

Studies by BFC and the World Bank stakeholder consultations supported by a Japan Social Development Fund (JSDF) Seed Grant found that for those factories that pay them, childcare allowances vary quite a bit and typically amount to \$7-\$15/month. However, the World Bank JSDF-supported consultations also found that garment workers pay \$47-\$105/month for informal childcare provided by relatives and friends. The cost divides into the equivalence of an informal \$25-\$70 service fee and an additional \$22-\$35 for children's food and snacks. This is a significant cost burden, occupying potentially more than half of a garment factory worker's monthly salary of approximately \$180/month. Factory workers are therefore financially vulnerable, at risk of losing their jobs if affordable care solutions cannot be found and their children are vulnerable to being placed in unsafe or unstable care arrangements if no other options are available.

The ease, cost and availability of care for young children affects the ability and productivity of a mother to work outside the home, as they are typically the primary caregivers for children. Public assistance for childcare can create opportunities for women to enter the workforce. Research from the Women, Business and Law (WBL) team at the World Bank highlights a study that found that among OECD economies the availability of public childcare for children below the age of 5 years is strongly correlated with employment rates of mothers with young children. In Cambodia, there are no public daycare services and very few functional factory daycare centers. Private daycare services are available and growing in urban areas but are not financially accessible for most garment factory workers. The monthly average cost of private daycare in Cambodia is \$100/month for 1 child. As a complement to the consultations undertaken in preparation for this project, the International Finance Corporation (IFC) is undertaking landscape analysis of existing childcare services, including an analysis of the policy framework related to the provision of such services and any gaps that could be addressed to improve service quality and availability.

While they may be the only affordable childcare option, traditional caregivers, typically illiterate grandparents, are not well-equipped to able to provide adequate education, stimulation, and nutrition for



young children. The World Bank consultations found that some garment workers recognize that traditional caregivers' services are cannot provide the support needed for their children to reach their potential.

A substantial body of research highlights the importance of nutrition for children's early brain development during their first 1,000 days of life. Lack of nutrition during this critical growth period can lead to poor health and substantial loss of neurodevelopmental potential.

The World Bank consultations found that the quality of childcare is a significant concern for Cambodian national, provincial, and local government offices, as well as employers, garment factory workers and their families. When discussing potential solutions, most female garment factory workers and their spouses said they would be willing to pay for quality, trustworthy childcare services.

The Ministry of Education, Youth and Sports (MoYES) has made a significant commitment to expanding early child education services for children aged 0 to under 5 years old, with priority given to community and home-based pre-schools. While only 21% of children in this age group currently having access to such services, the Government's 2014-2018 Education Strategic Plan intends to register 80% of children under 5 years old to preschool. Significant investments (including through the World Bank) as well as policy development have significantly improved access over the last 10 years. As further evidence of its commitment, and as a complement to this proposed project, MoEYS plans to prepare a sub-decree on childcare which would aim to increase compliance to the Labor Law provisions on childcare and to expand access to quality childcare more broadly.

[1] Ministry of Labor and Vocational Training, Labor Inspection Department, 2018.

[2] 116 garment factories are operating: 39 in Kong Pisei district, 18 in Chbar Mon, 03 in Basedth, 55 in Samraong Tong, and 01 in Odongk district. (data source: Kampong Speu Provincial Department of Labor Vocation Training, 2019).

[3] Better Factories Cambodia, Gender Strategy for Promoting Gender Equality 2017-2018.

[4] Tackling Childcare: The Business Case for Employer-Supported Childcare (2018), IFC.

[5] McKinsey Global Institute, *The power of parity: How advancing women's equality can add \$12 trillion to global growth*, September 2015.

[6] Women, Business and the Law, The World Bank, 2018.



Relationship to CPF

The recently approved Cambodia Country Partnership Framework (CPF) for the period from FY19-FY23 highlights the importance of childcare in two of its strategic objectives: Objective 4 and Objective 5.

CPF Objective 4, “Enhance quality and alignment of education with labor demands,” notes that specific programs targeted to women, such as training programs and childcare programs, will support female employment. The proposed project promotes both childcare programs and female employment.

Under Objective 5, “Expand access to quality early childhood services,” the CPF argues that quality child care services are key to improving children’s health and are also important for increasing women’s participation in the labor force. It also points out that childcare services are limited to more affluent urban areas and that informal caregivers, both in urban and rural areas, lack important knowledge on nutrition and other childcare-related issues. Access to childcare services and improved knowledge of early child care and nutrition are important aspects of this proposed trust-funded operation, which is listed in the pipeline for financing under CPF Objective 5. IDA financing is not being sought at this stage as the approach is new, innovative and limited in scale. However, if the pilot is successful, IDA, other government, donors or private sector funds will be sought to scale up the approach to other parts of the country.

JSDf supports innovative approaches to solving the development problems of vulnerable members of society. As such, the proposed project fits JSDf’s objectives well. The project would be the first to bring quality, affordable and sustainable childcare services to low-income workers in Cambodia. The proposed project applies the World Bank’s Maximizing Financing for Development (MFD) approach as it utilizes public, donor financing to bring down the cost of child care services for private sector garment factories to begin to meaningfully finance child care services for their employees. If successful, the private sector, including international garment and footwear buyers, can continue to finance and sustain the operations of the child care centers that have been established under the project and invest in new facilities elsewhere.

C. Project Development Objective(s)

Proposed Development Objective(s)

To establish sustainable community-based childcare services for garment factory workers that improve employment and labor outcomes, increase household consumption and improve child development.

Key Results

- Number of community-based childcare centers (CBCCs) that are financially sustainable before the conclusion of project financing.
- Increased household consumption for families with children enrolled in CBCCs.
- Increased retention (reduced turnover) of female workers from participating garment factories.
- Increased level of cognitive development for the children enrolled in CBCCs



- Number of project beneficiaries (all members of benefiting households) -

Baseline indicators will be specified, when possible, during project preparation and in the Bank's appraisal documentation. Data for some baseline indicators cannot be collected until implementation begins (i.e. cognitive ability), but such baseline data will be gathered within six months of the start of implementation.

D. Preliminary Description

Activities/Components

Component 1 – Institutional Establishment of Community-based Childcare Centers (US\$1.00 million)

As the Bank and Planète Enfants & Développement (PE&D) have learned from their various consultations on the provision of childcare for garment factory workers, there are significant downsides to the provision of childcare on the premises of factories, as encouraged by the 1997 Labor Law.[1] These include: the risk of road accidents while transporting children, safety risks at the factory related to production activity, limited appropriate space at factories, and the lack of experience and expertise of factories to operate quality childcare facilities. In response to these and other stakeholder concerns, this project proposes the establishment of an alternative model for factories to comply with the Labor Law, the community-based childcare center (CBCC). The difference between this and the factory, or “enterprise-based” model is that the center is physically located closer to the homes of the workers, significantly reducing transportation risks. It is also a model that places the quality and availability of the service with a service provider. To begin with, the CBCCs will be established as new, free-standing centers, but the project will also develop legal and institutional mechanisms for factories and parents to contract childcare provider services from private sector operators that meet and maintain specific quality standards.

This component will develop the legal and institutional arrangements, operating procedures and standards for establishing and operating the Community-based Childcare Centers (CBCCs). It will also focus on the physical setup of the CBCCs in the main target province of Kampong Speu as well as Phnom Penh and possibly other provinces if there is insufficient demand in Kampong Speu or opportunities for strategic partnerships with global garment buyers in other provinces.

Activity A. Institutional arrangements, systems and procedures (US\$0.08 million)

An international, Early Childhood Development and Childcare Specialist with expertise in institutional arrangements for social services will be engaged (with financing under Component 2) to lead the preparation of documentation guiding the establishment and operations of CBCCs. A Contracts and Procedures Advisor with strong knowledge of the local legal and contracting environment will also be engaged to support the Childcare Specialist, focusing on legal instruments and issues such as contracts and agreements for the use of facilities, contracts for co-financing with factories, parents, insurance and liability arrangements. Under this activity, guidelines for CBCC management will be prepared, including how financial management, maintenance, legal procedures etc. will be handled. Detailed guidelines to clarify and establish insurance and



liability arrangements will be put in place as well as guidelines on hiring, including outlining working conditions, pay and benefits of people working at the CBCCs (i.e. caregivers).

Systems for holding CBCCs accountable for quality services will be developed. One of the main mechanisms for this will be the establishment of CBCC Advisory Committees (AC) for each CBCC. Guidelines for Advisory Committee operations and responsibilities would be prepared under this Activity. Each CBCC Advisory Committee will include a range of stakeholders including elected/voluntary parents, the CBCC Manager, a representative of the Commune Committee for Women and Children (CCWCs), district education and health officers, factory staff (if they wish) and others, as deemed appropriate. Advisory Committees would be trained under Component 2 and their meetings would be supported under Component 3.

A firm with experience in financial management and management information systems for development projects will be engaged to design and facilitate the CBCC financial structure, including payments by factories and parents. These payments will be made through the implementing NGO, PE&D, and then passed on to accounts for the operations of each CBCC. This system will also allow for the monitoring of other important activities and information such as caregiver attendance, child attendance, confirmation of payments and other management information. Some of this data could be publicly available via a website or mobile device application as deemed appropriate. Co-payments from workers could be done through payroll deductions for workers and matching payments by the factories. The rationale for co-financing between the factories and the parents is that factory financing is a mechanism for factories to comply with the Labor Law whereas parent financing is important for ensuring that parents value the service and have a stake in the quality of service delivery.

Consultations with key stakeholders will be undertaken throughout the design process to inform the preparation of CBCC establishment and operations documentation. Community consultations in Kampong Speu, working through Commune Councils, would continue in communities consulted through the JSDF seed grant process. Other stakeholders include: factory workers, factory management, brands/buyers, provincial education, health, and labor departments, and commune councils and village chiefs. An overall Project Steering Committee (PSC) will be established with various stakeholders, including those listed above as well as NGOs, UN agencies and development partners interested in child care provision and meet once per quarter to assess the performance of the CBCCs and to provide guidance as to improve performance and the viability of the CBCC model. As the Ministry of Education, Youth and Sports will be leading the preparation of a sub-decree on childcare, they will play a leading role in this Committee, potentially as Chair or Co-Chair together with PE&D who will act as the PSC secretariat.

For the purposes of the proposed project, criteria for the selection of factories will be developed as a means to selecting which factories to partner with should the demand for project support exceed project capacity. IFC will provide support on this, particularly through discussions with garment buyers as their support has been found in other countries to be an important driver of demand for childcare services. Criteria will include willingness to: co-finance childcare services, share data on worker productivity, participate in project monitoring meetings, etc.



Activity B. Childcare Center Facility Preparation (US\$0.92 million)

Preparation of the facilities will include identifying locations, negotiating contracts for donated spaces, if available, and when not available, making plans to construct new buildings, or fix up the existing buildings. If spaces are available, they will be renovated to meet CBCC design standards that will be prepared under Component 1, Activity A. Guidelines for enterprise-based day care centers developed by PE&D, will be drawn upon for preparation of CBCC guidelines. As the earlier consultation process found, there are not many available, suitable spaces, so it is likely that most facilities will need to be constructed using land donated by commune councils. For the purposes of this concept note, the budget assumes that all facilities will need to be built, but this assumption will be adjusted during project preparation in consultation with commune and district authorities. Twenty-five CBCCs will be established in total. While the provincial and district locations may vary depending upon the commitments of factories and the locations of their employees, Kampong Speu has been identified as a priority location due to demand identified during the consultations. The establishment of contracted services by existing childcare or pre-school providers will also be explored and could include service providers that are operating near factories in Phnom Penh where the donation of commune land would likely be very difficult due to limited space.

Of the 25 planned facilities, 5 facilities will include an additional room for children from ages 37 – 60 as a way of piloting the viability of providing services to this age group. Factory workers that were consulted expressed strong demand for this type of service. Children enter primary school after 60 months (5 years), so this would be a cut-off point for child care services under the project. As this age group is above the current age range of 18-36 months specified in the Labor Law, services for this group would be fully financed by parents, unless factories can be convinced to co-finance. The aim of the project is to enlist the factories to not only co-finance childcare for children in the 18-36-month range, but to include the 3 – 17-month gap in the Labor Law as this would enable women to return to work at the end of their maternity leave (which is only 3 months).

Following the standards established under Component 1-A, CBCCs will include clean water access, toilet facilities, playgrounds, room safety measures, etc. Furniture and materials (first aid kits, toys, books, consumable supplies, etc.) needed for the CBCC will be procured from local sources. A Design and Construction Supervision Consultant will be contracted to finalize the design specifications for the CBCCs which will be prepared before project approval, consult with local authorities to finalize site selection, prepare procurement documentation, and supervise the construction and/or rehabilitation of CBCC facilities. The Consultant will also be trained by the World Bank in the application of social and environmental risk management policies and mitigation actions specified in the project documentation and subsequently take responsibility for monitoring and ensuring compliance with these provisions by the firm contracted to construct/rehabilitate the facilities. The World Bank's and PE&D's experience in the construction and operations of community pre-schools will be applied to the development of guidelines for CBCC construction and operations.

CBCCs will be phased in with a few established towards the end of the first year and then scaling up to establish the remainder in the second and third years, leaving the fourth year of the project to allow for



operations of all established CBCCs. A phased approach will allow for experience to be accumulated in the construction of a smaller number of CBCCs which can then be incorporated into any improved designs and processes for scaling up. This also assumes that some factories may take longer than others to confirm their arrangements and sign agreements to participate in the project. If all facilities can be built in the first two years this would be preferable, but it is assumed that this would be difficult to accomplish, hence the more spread out phasing. The selection of locations will be undertaken during project preparation using a set of criteria, including the commitment of the factories to co-finance childcare services at an agreed per/child rate, the commitment of the local authority to provide physical space, the concentration of garment worker households from participating factories, and the willingness of garment workers to pay for CBCC services in their commune.

Component 2 – Capacity Building of CBCC Workers and Families (US\$0.65 million)

One important benefit of the proposed project is new opportunities for employment and jobs that will be created. CBCC Managers (who are also caregivers) and caregivers will need to be hired and trained and will preferably come from the communities themselves. The consultations conducted by the World Bank found that trust is a critical issue for the CBCCs. Families prefer CBCCs to hire people from their communities as a trust-building and accountability measure. However, if there is a lack of interest or reasonably qualified individuals in the community, staff can be sought from outside. A roster of certified substitute caregivers would also be assembled to ensure adequate staffing for the CBCCs in the absence of CBCC regular staff. Cleaners, food suppliers, and delivery workers will also be needed, bringing new sources of income to community residents.

As mentioned under Component 1, international Early Childhood Development and Childcare Specialist will be contracted to prepare training materials, including a CBCC Caregiver Training Manual and to support the overall quality of training and service provision through the duration of the project. These materials will be based on the standards of operation for the CBCCs established in Component 1-A as well as international good practice. The consultant will also train CBCC managers, caregivers, and will train future daycare staff trainers. The training materials will be developed together with the relevant ministry, perhaps the Ministry of Education, Youth and Sports or the Ministry of Labor and Vocational Training with the aim of establishing a national certification for caregivers. CBCCs will employ only caregivers who satisfy the certification criteria, and who are eventually awarded certification from the relevant Ministry. The feasibility of having a Ministry administer certification will be determined during project preparation and if not feasible, the certification would be provided by the NGO implementing partner.

Once the training and accreditation material has been developed, an electronic learning platform developed as a mobile device application (App) will be developed with the training contents to allow for additional, flexible learning for caregivers. The content in this App will go beyond the training material used for accreditation, providing new ideas for activities with children, short demonstration videos, counselling information, questions and answers, etc. The Training Manual content will provide the initial content for the learning platform, and the international consultant will provide additional, ongoing content to continually feed the caregivers with new ideas and to enhance their professional development. The international



consultant will also work with 2 to 3 CBCC Supervisors, financed under Component 3, to conduct performance monitoring and to provide on-the-job coaching for caregivers, particularly those who have a greater need for professional development. CBCC Supervisors will also provide such coaching.

A training program for CBCC Advisory Committee members and the local government representatives will also be developed to build their capacity to hold CBCC staff accountable for quality service delivery, including maintaining and improving facilities and standards. This will build awareness, knowledge, skills, capacity, and commune commitment that will be essential to the ongoing success of the CBCCs.

The proposed project will also deliver parent education trainings through a sub-grant partnership with a local NGO partner. Parent/family caregiver training is intended to complement quality childcare provision by teaching partners how to apply methods of childhood development, such as health, education and safety, while also complementing the work-related aspects of the project such as good management of income such as savings versus spending. Risks arising from women's economic empowerment can also be addressed such as the increased possibility of gender-based violence. Through the development of Resource Centers on Early Childhood (ECRCs) under an ongoing project, PE&D has been working with the local NGO, **Krousar Yoeung**, so it is proposed that this partnership would be maintained to build on the materials already developed and the experience of training and support families with children in childcare. A priority topic will be household financial management to ensure that the costs of childcare can be managed, and that additional income earned by participating garment workers is productively spent for the household. Other topics will include child cognitive development, socialization and other topics geared toward early childhood development. Prevention of Gender Based Violence (GBV) and Violence Against Children (VAC) will also be included in the parent training. The partner NGO will seek to partner with government ministries, other NGOs and the private sector to deliver educational activities.

Another more specialized local NGO will also be engaged through a sub-grant to develop healthy meal recipes and menus and to provide training to the individuals or small firms who are contracted to provide meals for CBCCs. This activity is proposed as a sub-grant as the market for such experienced firms is limited, the size of the contract would likely be too small to attract interest, and local NGOs can leverage their own resources and activities to contribute to the activities. There are a few local NGOs working on health activities in Kampong Speu who PE&D could choose from based on criteria such as the depth of their work with the specific communities and their experience working with factory worker families. The NGO will also train parents in health cooking and feeding, as well as undertaking regular inspections of the CBCC meals to ensure quality and safety. This health and nutrition-focused NGO will also engage a medical doctor to train CBCC staff in first aid and to develop a health program for the CBCCs, including regular visits by public Health Center staff and training of Health Center staff in the services to be provided and initial monitoring of service quality.

Component 3 – Community-based Childcare Service Delivery (US\$0.29 million)

This component provides support and quality control for the operation of the CBCCs. The main costs of these activities will be borne by the service users, namely the parents and factories with enrolled workers.



Therefore, the required external financing for this component is limited. The cost of CBCC services for parents and factories will be finalized during project preparation and an indicative amount of financing for these services will be included in the Project Paper prepared for project appraisal. Initial estimates of CBCC operating costs based on interviews with private childcare providers indicate that the cost per child would be between US\$70-80 per child, per month, with the cost to be shared between the parents and factories. This cost requires further assessment during project preparation, but if costs were to remain in this range, the CBCCs would be affordable for parents according to the consultations conducted.

As it will take time for payments from parents and factories to flow into individual CBCC bank accounts to allow payment for CBCC operations, the project will provide interim financing for 4 months for CBCC interim operating costs to ensure that costs can be covered during this transition time. Once the parent and factory payments begin to be received, this overlapping income for the CBCC will be held as reserve funds to be used by the CBCC for small improvements within the scope of operating costs as decided by the CBCC Advisory Committee.

Once the CBCCs are established, an awareness-building and enrolment campaign will be conducted in the target areas to stimulate demand for the centers among families and caregivers and to select applicants. Close support will also be provided to the participating factories to ensure that the operations of the CBCCs meet their needs and that factory management is fully aware of the activities and the outcomes of the CBCCs, and the benefits for their workers and their operations.

A CBCC Coordinator will be contracted to oversee all aspects of running the CBCCs. The CBCC Coordinator will be supported by CBCC Supervisors, approximately one per every eight CBCCs, totaling three Supervisors to be hired. The Coordinator and each of the Supervisors as well as other key project consultants that are responsible for ensuring the quality of CBCC services will be provided with motorbike transport to allow them to regularly visit each of the CBCCs regularly to conduct inspections and to ensure operations are running smoothly. The Coordinator will also maintain a pool of trained substitute caregivers, to ensure that each CBCC is adequately staffed each day. The staffing of each center will depend on the number of children in each center. The caretaker-to-child ratio will be higher with younger children and decided based on global standards (i.e. 1 caregiver for 5 children of 3-17 months, 1 caregiver for 10 children of 18-36 months, 1 caregiver for 15 of 37-60 months.). Each CBCC is expected to have a maximum of four caregivers. The CBCC Supervisors will have responsibility for overseeing the quality and attendance of caregivers in their respective center, ensuring that quality care and nutritional food is provided. The CBCCs will need to be adequately staffed to provide childcare from 7am to 5pm, 6 days per week (Monday-Saturday), according to the needs of parents, as identified during consultations.

A Senior Finance Officer from PE&D staff will be engaged on an incremental basis to manage salaries payments for CBCC staff and all expenses related to running the CBCCs (including water, sanitation, electricity costs, rent, cost of materials, food/meals and insurance costs). The Senior Finance Officer will also be responsible for the overall finances of the project, preparing regular financial statements, and supporting financial audits, in cooperation with the financial management staff of PE&D. An Information Officer will be



contracted, and financed separately from JSDF, to manage the electronic platform built under Component 1 for monitoring and reporting on CBCC finances as well as other CBCC activities.

To improve the nutrition of children enrolled in CBCCs and reduce the additional burden mothers spend on preparing meals before a long day at work, CBCCs will provide healthy meals and snacks as part of the cost of enrollment. Each CBCC will provide clean drinking water, 2 nutritious snacks and lunch to each child every day. Meals and snacks will be purchased from local suppliers (individuals or small business). Junk food will not be allowed in the CBCCs. An NGO specializing in child nutrition will be contracted under Component 2 to train contracted suppliers/cooks in preparing nutritious recipes and menus, with a focus on using locally available and seasonal foods. CBCC Supervisors will monitor the hygiene and nutrition content of the food procured and ensure that children are provided with fresh and nutritious food each day.

Under the above-mentioned NGO partnership/sub-grant, a medical expert/doctor will be engaged to establish a program of regular (monthly or quarterly) check-ups for children enrolled in the CBCCs and to work with the outreach teams of local health centers to conduct CBCC visits on a regular schedule. This will help keep the children in good health, including detecting illnesses and diseases, thereby enhancing the parents' trust in the daycare facilities. The medical expert will also train the caregivers on child health and how to provide first aid services and train/monitor the health center staff.

A Communications Plan will be prepared specifying the marketing campaigns and materials needed to support the project, including recognition of Japanese government support. Awareness raising events will be conducted with factories/ employers, government (national and local), and buyers to communicate the benefits of providing employer-supported childcare at the community level, including beneficiary stories that provide snapshots of users of the childcare centers. This content will be disseminated through local communication channels (for example, newspaper, radio) and in workshops with communities and factories who do not have access to childcare services to encourage them establish such services, leading to the potential scaling up of the project. The Communications Plan would to bring in government officials, development partners, factories and buyers to promote replication of the CBCC model elsewhere around Cambodia, beyond this project investment.

Component 4- Project Management, Monitoring, Evaluation and Knowledge Dissemination (US\$0.74 million)

Activity A. Project Management and Administration (US\$0.47 million)

A project manager will be hired to manage the project. Under this component PE&D will also engage some of its full-time staff on an incremental basis to support aspects of overall project management, including financial management, procurement, reporting and quality assurance of the project. Specifically, the Executive Director will charge time to the project for report writing and overall quality assurance. The Finance Manager will supervise and support financial management reporting by the Senior Finance Office (described in Component 3), including audit preparation and interim financial reports, and PE&D's Information and Communications Officer will also manage the electronic platform financed under Component 1 and provide intermittent support on the preparation of project materials, public events and



media interaction. Social and environmental risk management would be financed under Component 1 through support to a Supervision Consultant. This component would include the purchase of equipment for project staff as well as basic operating costs such as travel, utilities, stationary, office supplies, printing, etc.

Activity B. Monitoring and Evaluation (US\$0.27 million)

Building on the M&E Plan prepared through the JSDF Seed Grant and the Bank's partnership with PE&D on the design of an impact evaluation for its EBSS project, a set of rigorous monitoring and evaluation activities (including baseline and end-line surveys) will be developed partly by project consultants (i.e. ongoing monitoring by CBCC Supervisors and others, and mid and completion reports by short-term consultants) and partly through a sub-grant partnership with a local nonprofit research institute, the Cambodia Development Research Institute (CDRI), to ensure that the impact evaluation meets high quality standards and the results are analyzed and disseminated to inform various stakeholders, including the Ministry of Education, Youth and Sports who is planning to develop a national policy/sub-decree on childcare. The development of such a policy will contribute significantly to the sustainability of the childcare model financed under the project. The partnership with CDRI is not proposed as a contract as it would entail the engagement of students in the impact evaluation design and field work, a partnership with an overseas university with expertise in childcare research, and partnership with MoEYS on policy development. Policy and analytical work will include financial and economic analysis of the costs and benefits of investing in childcare for garment workers. Ongoing monitoring of CBCC quality will also be undertaken through the application of a social accountability approach (developed under a separate JSDF-financed grant, Voice and Action), organizing "community assessments" of CBCCs, including parents, other family caregivers and other interested community members. An independent consultant would also be hired to prepare a mid-term evaluation and completion report.

Activity C. Knowledge Dissemination (US\$0.04 million)

A Lessons Learned report and workshop will be organized and produced near the end of the project to share the lessons learned with a variety of stakeholders and to encourage replication and scaling up. Also, under Component 1, the quarterly, multi-stakeholder (i.e. government, NGO, development partners, private sector), Steering Committee meetings will also be a forum for disseminating lessons on an ongoing basis as will the regular consultations with provincial and district staff.

[1] PE&D is a French NGO that the World Bank has been working with to evaluation an Enterprise-based Support Services (EBSS) project aimed at providing factory-based childcare services to garment workers. The Bank has subsequently partnered with PE&D in the implementation of consultative activities financed through a JSDF Seed Grant.



Environmental and Social Standards Relevance

E. Relevant Standards

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8	Cultural Heritage	Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	The project will not be located in an area under legal or international dispute nor competing territorial claims.

Summary of Screening of Environmental and Social Risks and Impacts

The overall environmental and social risk classification is Moderate. The project activities focus on establishing twenty-five CBCCs through a capacity building and consultative process. Activities will include identifying suitable sites for construction and facilities for renovation. To support the establishment of the physical premises all the legal and institutional arrangements, training material and guidelines for operating high quality, replicable centers will also be developed. These detailed guidelines will be put in place for design, construction and operation of the centers and for them to meet defined standards including environmental and social measures. Specific locations are to be determined through a consultation process as part of project preparation. Where facilities are donated they will be renovated to meet the standards captured in the guidelines. Nine of the ten Bank's environmental and social standards (ESS) have been screened as relevant. Standard ESS9 on Financial Intermediaries is not considered relevant. Risk relates mainly to site identification, construction and safe operations of the centers. Project design, Construction and Operational Guidelines for the establishment and running of the CBCCs and the Environmental and Social Commitment



Plan (ESCP) will incorporate measures needed for benefit enhancement and environmental and social risk mitigation, including for stakeholder engagement.

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