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INVESTING EARLY, INVESTING SMARTLY, AND INVESTING FOR ALL

# Laying the Foundation for Early Childhood Education in Sri Lanka



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**June 2014**

**Human Development Unit  
South Asia Region**





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# Abbreviations and Acronyms

<b>CECED</b>	Centre for Early Childhood Education and Development
<b>CSR</b>	Corporate Social Responsibility
<b>ECCD</b>	Early Childhood Care and Development
<b>ECCE</b>	Early Childhood Care and Education
<b>ECD</b>	Early Childhood Development
<b>ECE</b>	Early Childhood Education
<b>ECEQAS</b>	Early Childhood Education Quality Assessment Scale
<b>GDP</b>	Gross Domestic Product
<b>HIES</b>	Household Income and Expenditure Survey
<b>ILO</b>	International Labor Organization
<b>MCDWA</b>	Ministry of Child Development and Women's Affairs
<b>MoE</b>	Ministry of Education
<b>MoF</b>	Ministry of Finance
<b>MoH</b>	Ministry of Healthcare, Nutrition and Uva Wellasa
<b>NAEYC</b>	National Association for the Education of Young Children
<b>NCC</b>	National Coordination Committee
<b>NCPA</b>	National Child Protection Authority
<b>NGO</b>	Non-Governmental Organization
<b>NIE</b>	National Institute of Education
<b>NIEER</b>	National Institute for Early Education Research
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>OUSL</b>	Open University of Sri Lanka
<b>PC</b>	Provincial Councils
<b>PHDT</b>	Plantation Human Development Trust
<b>PISA</b>	Program for International Student Assessment
<b>SABER</b>	The Systems Approach for Better Education Results
<b>SBTD</b>	School Based Teacher Development
<b>SIB</b>	Social Impact Bond
<b>SLR</b>	Sri Lankan Rupees
<b>TPD</b>	Teacher Professional Development
<b>TVEC</b>	Tertiary Vocational Education Commission
<b>TVIP</b>	Test de Vocabulario en Imagenes Peabody
<b>UIS</b>	UNESCO Institute of Statistics
<b>UNDP</b>	United Nations Development Program
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization
<b>UNICEF</b>	United Nations Children's Fund

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# Executive Summary

## Background

1. In recent years, Sri Lanka has experienced significant economic growth, coupled with notable achievements in human development. Despite the 26-year conflict, the 2004 tsunami and the global recession, the last decade has seen the country grow at an average annual rate of about 6%. Per capita GDP in 2012 was US\$2,923, three times that in 2002. Sri Lanka is now a lower-middle-income country, with only 8.9% of its population living under the national poverty line (DCS 2011a). The country is also on target to meet most of the 2015 Millennium Development Goals (World Bank 2012). However, it faces gaps in various dimensions of human development such as disparities in poverty rates across urban and rural areas, high rates of child malnutrition and stunting, and problems of quality in school education. Accelerating economic growth and bridging these development gaps will require increased and sustained investments in human capital.

2. There is a growing recognition in Sri Lanka of the important role of human capital in general, and early childhood development in particular, in achieving the country's development objectives. Sri Lanka's National Development Policy Strategy, encapsulated in the Mahinda Chintana (2011-2016), articulates the government's desire to promote equitable, broad-based economic growth through the expansion of infrastructure, rural development and investment in human capital (World Bank 2012). The policy also explicitly recognizes the important role of early childhood care and education (ECCE) in developing the country's human capital and ensuring equitable growth.

## Study Objectives

3. The objective of this report is to analyze the state of early childhood education (ECE<sup>1</sup>) provision and the policy framework for delivering ECE in Sri Lanka, and suggest policy options for the future. The report is intended to serve several purposes. First, drawing upon the international literature in the field of early childhood development, it provides the rationale for investing in early childhood education in Sri Lanka. Second, it provides an understanding of the current policy framework and delivery system for ECE in the country. This policy analysis specifically looks at the extent to which there is an enabling environment for ECE, what provisions exist for monitoring and quality assurance, and how widely the policy is being implemented. Third, it presents a situation analysis of ECE provision in Sri Lanka, discussing the issues of access, equity, and quality in the delivery of ECE services. The discussion on equity focuses mainly on understanding disparities in access, and the analysis of quality looks at the quality of inputs, processes and outcomes, including cognitive and non-cognitive outcomes. And fourth, the report presents policy and program options based on the findings of the above analyses.

## Rationale for Investing in ECE

4. While ECE interventions can yield a range of short and long-term benefits, both to individuals and to society as a whole, the arguments for investing in ECE can be grouped into three broad

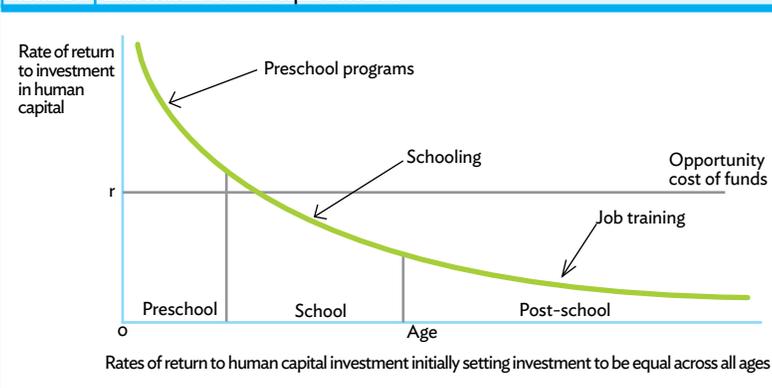
<sup>1</sup> In the context of Sri Lanka, ECCE refers to all formal and informal interventions which support the multidimensional early childhood development process from the time of conception to age 5. On the other hand, ECE refers to interventions focused on children in the 3-5 year age group.

categories. The case for investing in ECE can be made from the perspective of (i) equalizing learning and earning opportunities for individuals from diverse backgrounds, (ii) maximizing returns to investment, and (iii) preparing children for formal schooling to improve their learning levels in school and accelerate human capital accumulation. The first is the equity argument. The second is the economic argument. The third is the school readiness argument. These arguments, which apply to Sri Lanka as well as to other countries, suggest that investing early is investing smartly.

**5. The provision of ECE to all can help equalize learning opportunities, and promote equitable development.** There is substantial evidence that children from economically disadvantaged families are at a greater risk of poor cognitive development than children from richer households (Alderman, 2011; Nadeau 2011). Furthermore the resulting disadvantages in schooling outcomes lead to lower earnings in adult life. For example, in their study on Ecuadoran children, Paxon and Schady (2005) find that while differences in vocabulary scores among 3 year old children are generally small, the gap in scores between the poorest and wealthiest income quintiles increases progressively for older children and is quite substantial for six year olds. Studies such as this indicate that gaps in cognitive development begin early and continue to widen over time. The provision of high quality ECE for economically disadvantaged children can compensate for the deficiencies they face in their home environment, and ultimately help break the intergenerational cycle of poverty.

**6. Research evidence indicates that ECE interventions have high benefit-cost ratios as well as the best rate of return of any human capital investment.** Longitudinal studies in both developed and developing countries show that participants in ECCE programs do significantly better in terms of occupational status and earnings (Nadeau et al. 2011). Benefit-cost analyses of several early childhood interventions in the United States have found that the benefit-cost ratio of ECCE is between 2:1 and 16:1 (Karoly et al. 2005). Engle et al. (2011) show that increasing preschool enrolment to 25 or 50 percent in low and middle-income countries would result in benefit-cost ratios between 6:1 and 17:1. Furthermore, there is evidence that ECE in-

**FIGURE E 1: Rates of Return to Human Capital Investment**



Source: Heckman and Carneiro (2003)

vestments yield much higher returns than investments in formal schooling and job training (Heckman and Carneiro 2003; see Figure E1). Studies have estimated the annual rates of return for high quality ECE programs to be between 7% and 16% (Nadeau et al. 2011). Overall, the evidence is clear: investing in early childhood pays high dividends.

**7. ECE can also enhance school readiness and educational outcomes.** Improved performance on standardized tests, reduced school drop-out rates, and increased grade retention rates are some of the key positive impacts of ECE on educational outcomes (Nadeau et al. 2011). Evidence from OECD countries participating in the 2009 Program for International Student Assessment (PISA) shows that school students who had participated in ECE programs for one year or more scored 33 points higher than their counterparts who had not participated in an ECCE program, after accounting for socio-economic factors (OECD 2010). There is also evidence that ECE programs such as the High/Scope Perry Preschool Program can improve grade retention and school completion as well (Nadeau et al. 2011).

## Key Findings

### The Policy Environment

**8. Legal framework:** The legal framework for ECE provision in Sri Lanka does not provide adequate clarity on the implementation structure of ECE and on who should take the lead role in implementing ECE. An encouraging aspect of the

policy environment in Sri Lanka is the existence of a cabinet approved ECCE National Policy, which also guides the implementation of ECE. However, since the Policy has yet to be ratified by the parliament, implementing it poses a challenge. According to the Policy, the Children’s Secretariat in the Ministry of Child Development and Women’s Affairs (MCDWA) is the executing agency responsible for overseeing the implementation of ECCE policy. However, since the 13th Amendment to the constitution has devolved planning and implementing authority to the Provincial Councils (PCs), the Policy is currently being implemented and monitored at the local level by the relevant agencies in the PCs. Furthermore, there is limited interaction between these agencies and the coordination committees proposed by the Policy and with the subordinate agencies of MCDWA at the local level. Thus, there seems to be a lack of policy coherence between the Policy and the 13th Amendment.

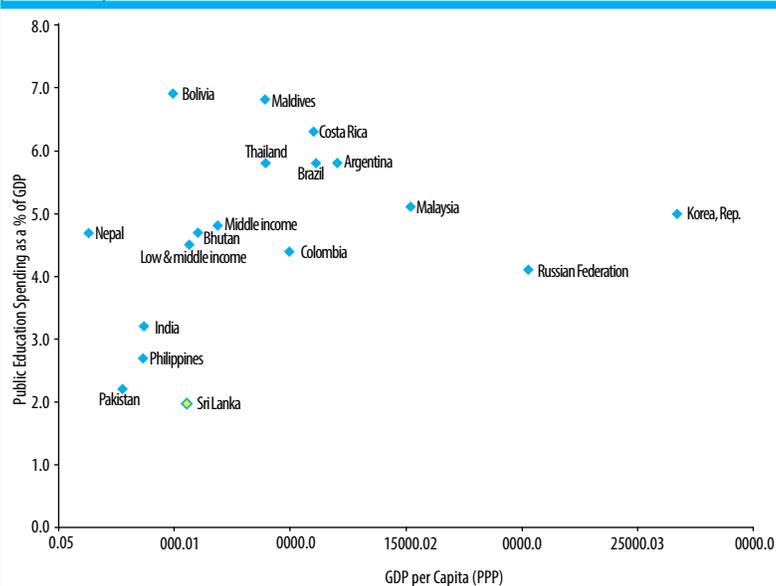
**9. Quality assurance:** While Sri Lanka does have minimum standards and requirements for ECE centers, it has yet to adopt an ECE curriculum framework and standards for child learning outcomes. MCDWA has developed a set of guidelines specifying minimum standards and requirements for preschool facilities. These requirements primarily focus on inputs such as infrastructure and adequacy of teachers/staff in terms of their numbers

and qualifications. However, the country has not yet developed and adopted a curriculum framework that can guide the pedagogical and other developmental activities in ECD centers. Similarly, it has yet to develop standards for child learning outcomes which would provide guidance to ECE providers in conducting ECE classes and assessing the children’s progress.

**10. Monitoring and evaluation:** The mechanisms for monitoring and enforcing compliance with prescribed standards, and collecting data on ECE provision, are weak. There is a lack of clarity on how monitoring and evaluation activities are to be coordinated between MCDWA and the PCs. The absence of a management information system for ECE and lack of a systematic mechanism for the collection of data on different aspects of ECE provision pose further challenges for effective monitoring. The Policy gives the responsibility of data collection and reporting to the Coordination Committees at the District and Divisional levels—however, it is questionable whether these committees have the capacity to take on this task. Overall, there is a need to strengthen the capacity of different units, agencies, and centers engaged in implementing or monitoring ECE activities.

**11. Financing:** Public expenditure on education in general, and ECE in particular, is very small in Sri Lanka. While the average public expenditure on education as a percentage of GDP was 2.7% in 2006, it had dropped to 1.75% in 2013 (World Bank 2014). This is the smallest share of public investment in education in South Asia and among countries that share similar development characteristics with Sri Lanka (World Bank, 2011; see Figure E2). ECE in Sri Lanka is largely dependent on private financing. Among middle income countries, the average public expenditure on ECE (as a percentage of GDP) is .03% (based on data from the UNESCO UIS Database 2011/2012 or nearest available year). Compared to this, Sri Lanka’s spending on ECE, at less than 0.0001% of its GDP, is negligible. Furthermore, the country currently does not allocate any of its public education expenditure to ECE. There is clearly scope for Sri Lanka to increase its public investment in education in general, and ECE in particular, to bring it in line with other middle income countries.

**FIGURE E 2:** Public Investment in Education as a Percentage of National Income (2012 or nearest year)



Source: Authors based on World Bank EdStats Data 2012 or nearest year available

## State of ECE Provision

### Access

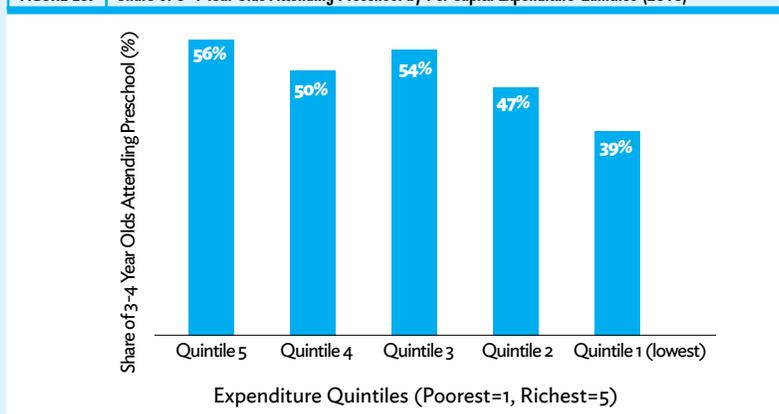
12. While ECE enrollment rates for 3-5 year olds have been increasing in recent years, a significant percentage of the children in this age group are not participating in ECE programs. Sri Lanka has around 17,023 ECE centers with 29,341 teachers, catering to 475,617 children in the 3-5 year age group. Around 84% of these centers are either under private management or run by NGOs and other non-government entities. According to the Household Income and Expenditure Survey (HIES) 2009/10 (DCS 2011b), among 3-5 year olds, only 46% are enrolled in preschool.

13. Income and location are key determinants of ECE access. For the 3-4 year age group, ECE enrollment rates are higher for children from richer households and urban areas. For example, the ECE enrollment rate for the richest quintile (56%) is 17 percentage points higher than that for the poorest quintile (39%) (see Figure E3). Similarly the enrollment rate for urban areas (59%) is around 10 percentage points higher than the enrollment rates for rural areas and estates (plantations). Findings based on multiple regression analyses of HIES data also indicate that location and economic status are key determinants of preschool participation for 3 and 4 year old children. There is, however, little difference in preschool enrollment rates across income quintiles in the case of 5 year old children.

### Quality

14. *Quality of inputs:* On average, ECD centers are resource constrained and are inadequate in terms of teaching learning materials, classroom arrangement, and teacher qualifications. In particular, the centers have only limited materials and equipment for indoor use, and such materials, where available, are not being used extensively by the students. Furthermore, the classrooms are generally not arranged effectively to facilitate activities. The general level of center infrastructure is adequate, and the centers meet the overall safety, hygiene, and learning environment conditions. However, less than half of the teachers have completed their A-levels, and only around 39% of the teachers have received one year of professional training in ECE (See Figure E4). Furthermore, these centers are clearly deficient in terms of the provision of facilities for children with special needs.

FIGURE E3: Share of 3-4 Year Olds Attending Preschool by Per Capita Expenditure Quintiles (2013)

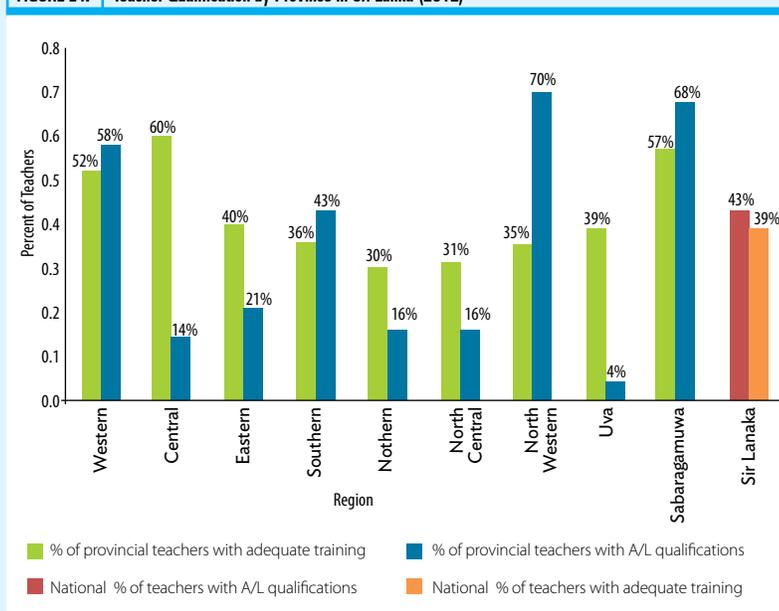


Source: Authors' estimates based on HIES 2009/10

15. *Quality of processes:* While ECD centers perform reasonably well in terms of some teaching learning activities and processes, there are other areas where substantial improvement is needed. The centers exhibit satisfactory performance in terms of children's and teachers' activities related to personal care, hygiene and habit formation of the children. However, the centers are relatively weak in terms of approaches to facilitating the learning of children with special needs, and activities and use of materials for the development of cognitive skills.

16. *Quality of learning outcomes:* While the children have a good understanding of simple concepts and patterns, their performance in areas requiring higher order skills is weak. The school

FIGURE E4: Teacher Qualification by Province in Sri Lanka (2012)



Source: MoE 2012

readiness test results from this study show that, on average, the children have a good grasp of pre-number and space concepts, are able to classify objects and follow simple instructions, and make simple patterns. However, they have difficulties in answering more complex questions that test sequential thinking skills, ability to make relative comparisons, and ability to make complex patterns. They are also relatively weak in terms of reading readiness and sentence construction. Disparities in learning outcomes across locations, ECE management types, genders and age groups are small.

**17. Adaptive behavior of children:** The children exhibit shortcomings in certain behaviors related to socialization, adjustment and communication. More specifically, they score poorly on patience, emotional adjustment, and verbalizing emotions. While this pattern is observed across locations, ECE management types and population groups, children from the estates have lower scores in almost all behavioral characteristics observed during the survey.

**18. Role of household economic status:** Household wealth is a key determinant of school readiness and adaptive behavior of children. Children from wealthier households do better in terms of both school readiness and adaptive behavior. Greater school readiness is also observed for children with educated mothers and smaller families. The adaptive behavior of children appears to be positively influenced by the amount of time spent in the centers—there is a strong positive correlation between spending more than 4 hours a day in the center and the adaptive behavior score.

**19. Perceptions of HHs:** Most households cite preparation for primary school as the main reason for sending their children to preschool. They value the training the children receive in reading, writing and counting above other benefits they see from the ECD centers. Similarly, the children's learning is the second most cited area requiring improvement when parents are asked to indicate the most important aspect that needs to be improved at their children's ECD centers. There is, thus, a tendency among parents to view preschools as centers for preparing their children academically for primary school, rather than as a place for promoting the holistic development of young children.

## Policy Directions

### Governance

**20. There is an urgent need to get the National Policy on ECCD approved by the parliament, and also ensure coherence between the Policy and the provisions of power devolution to PCs in the 13th Amendment to the Constitution.** The approval of the Policy by the parliament will provide a firm legal basis for the operations of the Children's Secretariat in MCDWA—the designated institutional anchor responsible for executing the decisions of the National Coordination Committee and implementing the Policy. It will also enhance the convening power of Coordination Committees at the Provincial, District, and Divisional levels, and enable them to function more effectively. At the same time, it is equally important to explicitly document the respective roles and responsibilities of MCDWA and relevant agencies under the PCs within the framework of the 13th Amendment so that duplication of efforts is minimized and the effective use of human, financial, and material resources is maximized.

### Financing

**21. Sri Lanka needs to increase its public investment in early childhood education and also explore different sources of both public and private funds.** Public funds for ECE can be generated through different types of direct and indirect taxes at different levels of government, fees, lotteries, and from donor agencies (Naudeau et. al 2011). For example, allocating a certain percentage of excise taxes collected on alcohol and tobacco to ECE can provide a steady stream of funds for medium to long term ECE programming. Similarly, the sources of private funds include household contributions, individual donations, and investments/donations from businesses and foundations. ECE is an area private businesses could be encouraged to support as part of their corporate social responsibilities (CSR). In order to enhance equitable access and service quality, the government can take a judiciously targeted approach to funds allocation. For example, on the demand side, it can promote equitable access to ECE by financing scholarships to poor students. On the supply side, it can provide performance-based grants and matching grants to both public and private ECE providers on a competitive basis to enhance equitable access and quality.

### Improving and Equalizing Access

22. **As economic status is a significant determinant of access, there is a need to provide financial assistance to children from poor families to increase their participation in ECE.** One approach to doing this is by providing poverty-targeted scholarships to economically disadvantaged children using a proxy-means testing approach<sup>2</sup>. It is also possible to provide the selected beneficiaries with scholarship vouchers which they can use to attend ECE centers of their choice. Furthermore, the scholarships can be made conditional on regular attendance of ECE classes to increase the likelihood of enhanced learning outcomes for the scholarship beneficiaries. In addition, the provision of performance grants to ECE centers is another approach to assisting children from poor families. By including the percentage of poor children as an indicator of center performance, for example, ECE centers can be encouraged to enroll more students who would otherwise not be able to attend ECE classes because of financial constraints. In order to ensure equity of access across locations, the government can potentially use the concept of matching grants to encourage the establishment of preschools in geographically remote areas.

23. **The participation of young children in ECE can potentially be increased by making parents more aware of the benefits of ECE.** Parental awareness programs are necessary not only to encourage families to take advantage of the services offered by preschools and other ECD centers, but also to help them understand the importance of holistic child development. In an environment where most parents still want preschools to focus on academic learning, many parents might not be sending their younger children to ECE classes since they do not recognize the importance of the play-centered activities and socialization opportunities in the preschool setting. Overall, there is a need to scale up parental awareness programs across the country, especially in areas where the enrollment rates are low (e.g., in rural areas and estates). Furthermore, the effectiveness of such programs could potentially be enhanced by linking them to nutrition campaigns targeted towards both mothers and children.

24. **There is a need to increase the responsiveness of ECE centers to children with special needs.** The survey findings strongly suggest that there is a need for ECE centers to make improvements in inputs as well as processes related to children with special needs. More specifically, physical facilities for these children are inadequate, and centers are generally deficient in facilitating their learning process. Furthermore, there is also evidence that teachers are not adequately responsive to children with special needs. Such shortcomings of ECE centers not only make it difficult for participating children to fully benefit from their ECE experience, but they also discourage families from enrolling children with special needs in ECE classes. Proper training needs to be provided to ECE teachers so that they can effectively cater to this disadvantaged student population.

### Enhancing Quality of ECE Services

25. **Sri Lanka needs to adopt an ECE curriculum framework to properly guide the teaching-learning processes in ECE centers.** A curriculum framework is meant to help ECE teachers plan the activities in the centers. Regardless of whether an open curriculum framework or a common curriculum is adopted, the framework needs to focus on the holistic development of children. In addition, the framework should also take into account the entry requirements for primary school—the natural next step in a child's development.

26. **At the same time, Sri Lanka also needs to establish clear standards for learning outcomes.** Learning standards for ECE summarize the expected development outcomes of the children in the key areas specified by the curriculum framework. They are essential for guiding not only classroom teaching-learning, but also teacher training, learning material development, and monitoring activities. Learning standards also provide the basis for assessing the children's development over time.

27. **In order to monitor and ensure compliance with the prescribed quality standards, there is a need to develop a robust monitoring and evaluation (M & E) system.** The development of a sound M & E system will require (a) clarity on which agen-

<sup>2</sup> Using this method, the economic status of a household can be estimated based on answers to a small set of questions related to some readily observable socio-economic characteristics of the household (which can be viewed as proxies of the household's actual income).

cies and units are responsible for program monitoring, data collection and data entry at different administrative levels, (b) detailed guidelines for units and staff responsible for carrying out the monitoring functions, (c) the establishment of a comprehensive electronic management information system (MIS) that allows decentralized entry to collect information on ECE centers, teachers, and children, and (d) the integration of the MIS with the M & E system and process. Furthermore, it will be necessary to systematically build the capacity of the relevant units by providing adequate human resources and training staff to carry out monitoring and data entry related tasks. The MCDWA staff as well as Provincial Council staff working at the divisional levels must be trained to not only monitor ECE activities but also serve as resource persons who can provide constructive feedback to ECE centers.

**28. Along with building the capacity of M & E staff, it is also necessary to invest in the capacity development of the different units and agencies engaged in implementing ECE activities.** In particular, it is important to ensure that the Children's Secretariat as well as the different coordination committees have the required human resources to properly execute the tasks assigned to them. The Children's Secretariat, for example, is tasked with the responsibility of promoting ECCE related research, establishing a system for identifying children with special needs, and monitoring the implementation of the National Policy. Its activities also include conducting ECE teacher training and public awareness programs. The Secretariat staff needs to be properly trained to undertake such activities. As an initial step in strengthening the capacity of the country in implementing ECE activities, it will be useful to develop a comprehensive capacity development plan based on a capacity needs assessment of ECE service providers, policy makers, and relevant agencies.

**29. In order to help ECE providers enhance the quality of their services, the government can provide support for the acquisition of teaching-learn-**

**ing materials.** On average, ECE centers do not have an adequate amount of appropriate teaching learning materials. The government can help the centers by either providing them with the materials or by giving them the necessary funds to procure the materials in the market. However, a sound M & E system needs to be in place to ensure proper utilization of the support provided by the government.

**30. The quality of teacher inputs is another aspect of ECE provision that needs to be improved.** There is a need to enhance the capacity of teachers both in terms of academic qualifications and ECE focused training. The evidence gathered from the survey indicates that these training programs will need to 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. If a capacity development plan is prepared for the country, an ECE teacher professional development (TPD) plan could be a part of this comprehensive plan. The TPD plan would also include a plan for preparing the necessary pool of trainers to deliver different types of training. The financing of TPD could be done through a combination of support to individuals, training providers and academic institutions offering ECE programs<sup>3</sup>, as well as through financial and technical support to ECE centers for implementing center-based teacher development.<sup>4</sup>

**31. There is a need to address disparities in the quality of outcomes across income groups.** Developmental disparities among children in early years can translate into progressively larger learning and earning gaps in later years. The findings from this study have shown that disparities in learning outcomes in Sri Lanka are most significant across income groups. In order to address these disparities early and equalize learning and earning opportunities for all children, interventions aimed at ECE quality improvements should give priority to less wealthy regions and areas with concentrated poverty.

<sup>3</sup> The premiere academic institution conducting ECE related programs in Sri Lanka is the Open University of Sri Lanka (OUSL). The Department of Early Childhood and Primary Education at OUSL offers three diploma/certificate programs: Diploma in Early Childhood and Primary Education, Certificate in Pre-School Education and Advanced Certificate in Pre-School Education.

<sup>4</sup> Center based teacher development can be viewed as a variant of School Based Teacher Development (SBTD) recently introduced in the school education sector in Sri Lanka. School-based mentoring, peer-to-peer learning, and visits to other classrooms are some of the activities included in SBTD (World Bank 2011a). As ECE centers typically have only one or two classrooms, and one or two teachers, the SBTD approach would need to be modified to account for this reality.

**Table E1: Strategic Options for the Development of Early Childhood Education**

Area	Key Needs	Short-term Development Initiatives	Medium-term Development Initiatives
<b>Governance</b>	<ul style="list-style-type: none"> <li>Legal backing for cabinet approved National Policy on ECCE, and clarity on roles and responsibilities of central and provincial authorities responsible for implementing ECCE</li> </ul>	<ul style="list-style-type: none"> <li>Formally detail the roles and responsibilities of MCDWA and PCs in implementing ECCE (P)</li> <li>Amend the National Policy to ensure its consistency with the 13<sup>th</sup> Amendment</li> </ul>	<ul style="list-style-type: none"> <li>Obtain parliamentary approval for the amended cabinet approved National Policy</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>Increased and sustainable financing for ECE</li> </ul>	<ul style="list-style-type: none"> <li>Encourage public-private partnerships for financing ECE and expanding coverage of services</li> </ul>	<ul style="list-style-type: none"> <li>Broaden the public sources of ECE financing</li> </ul>
<b>Access</b>	<ul style="list-style-type: none"> <li>Enhanced access to ECE</li> <li>Equitable access to ECE, particularly for the poor and for children with special needs</li> </ul>	<p><i>Demand side:</i></p> <ul style="list-style-type: none"> <li>Expand parental awareness programs which help parents to understand the importance of a holistic approach to early childhood development (P)</li> </ul> <p><i>Supply side:</i></p> <ul style="list-style-type: none"> <li>Enhance the capacity of the ECE centers and their staff to facilitate the development of children with special needs</li> </ul>	<p><i>Demand side:</i></p> <ul style="list-style-type: none"> <li>Provide poverty-targeted scholarships to economically disadvantaged students (P)</li> </ul> <p><i>Supply side:</i></p> <ul style="list-style-type: none"> <li>Provide performance grants to centers that increase the enrollment of poor students and students with special needs</li> <li>Provide matching grants for establishing or upgrading centers in remote or poor areas</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>Enhanced quality of inputs, processes and outcomes</li> </ul>	<ul style="list-style-type: none"> <li>Develop a high-quality curriculum framework and establish standards for early childhood learning outcomes (P)</li> <li>Develop an ECE-Professional Development Plan to enhance the capacity of ECE teachers, trainers, M &amp; E personnel, and government agencies engaged in ECE implementation (P)</li> <li>Expand short-term training programs for ECE teachers (P)</li> <li>Provide support to ECE centers for the acquisition of teaching-learning materials</li> </ul>	<ul style="list-style-type: none"> <li>Adopt and utilize the high-quality curriculum framework and standards (P)</li> <li>Develop and implement a robust monitoring and evaluation system for ECE for ensuring compliance with quality assurance standards and providing constructive feedback to ECE centers</li> <li>Implement the ECE-Professional Development Plan (P)</li> </ul>

Note: Initiatives that should be given highest priority are identified by the label "P".



CHAPTER 1:

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# Early Childhood Care and Education for Economic and Social Development

## 1.1 Introduction

1. In recent years, Sri Lanka has experienced significant economic growth, coupled with some notable achievements in human development. Despite the 26-year conflict, the 2004 tsunami and the global recession, the last decade has seen the country grow at an average annual rate of about 6%. Per capita GDP in 2012 was US\$2,923, three times that in 2002. Sri Lanka is now a lower-middle-income country, with only 8.9% of its population living under the national poverty line of Rs. 3,028 per month in 2010 (DCS 2011)<sup>5</sup>. The country is also on target to meet almost all of the 2015 Millennium Development Goals (World Bank 2012).

2. Despite these achievements, there are a number of gaps in various dimensions 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% in 1990 to 8.9% in 2010, the poverty rates in the estates and rural areas are still much higher than in the urban sector. Moreover, while over a million people came out of poverty in the last decade, many of them hover just above the poverty line and are at high risk of falling back into poverty. According to UNDP (2012), if the poverty line were increased by 10 percent, the poverty rate would rise to 12.8%. Another developmental gap can be seen in the area of child nutrition: according to data from 2012, 21.9% of the children aged 0-5 years were either moderately or severely underweight (low weight-for-height), and 15.1% were stunted (low height-for-age) (UNICEF 2012a). 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, the net enrollment rates (NERs) decline progressively in higher grades, particularly at the upper secondary (81%) and collegiate levels (39%) (UNDP 2012). Participation in Early Childhood Education is also low, with

only 46% of 3-5 year olds enrolled in preschool. Furthermore, high levels of access at the primary level are offset by relatively low levels of achievement (see Annex One). The overall quality of educational outcomes needs substantial improvement despite gains in learning achievements over time (World Bank 2013b).

3. Moreover, there are marked disparities in key human development indicators across population groups and regions. In terms of access to education, NER figures for different levels of education disaggregated by income quintiles indicate that children from the wealthiest population group have signifi-

TABLE 1: Disparities in NER across Genders, Economic Groups and Locations

	Net enrollment, (%)			
	Primary (grades 1-5)	Junior Secondary (grades 6-9)	Upper Secondary (grades 10-11)	Collegiate (grades 12-13)
<b>Gender</b>				
Male	95.3	92.1	79.3	33.1
Female	95.3	93.0	81.9	45.9
<b>Sector</b>				
Urban	95.9	92.3	86.2	45.8
Rural	95.3	93.3	81.4	39.7
Estate	93.1	83.5	53.8	12.8
<b>Province</b>				
Western	94.6	93.0	83.1	48.4
Central	95.4	92.5	77.5	37.7
Southern	96.3	93.5	87.2	40.4
Northern	95.8	94.0	69.8	32.3
Eastern	96.5	91.0	78.4	33.3
North Western	94.6	90.3	72.9	34.4
North Central	96.2	93.6	79.0	37.4
Uva	92.0	92.2	79.1	32.6
Sabaragamuwa	96.8	93.9	87.3	34.7
<b>Economic groups</b>				
Poorest quintile	95.7	88.7	71.4	20.8
2nd quintile	95.2	91.9	77.6	29.5
3rd quintile	94.9	94.9	83.9	42.0
4th quintile	95.2	93.6	87.4	51.5
Richest quintile	95.2	95.6	88.1	62.2
<b>Sri Lanka</b>	<b>95.3</b>	<b>92.6</b>	<b>80.6</b>	<b>39.4</b>

Source: UNDP (2012)

<sup>5</sup> The poverty rate for 2010 using the poverty line of \$1.25 (PPP) per day was 4.1% (World Bank 2014a).

<sup>6</sup> The demographics of Sri Lanka is typically described in the context of three sectors: urban, rural and estate. The estate sector refers to all tea plantations which are 20 acres or more, and the residents of these plantations, who are primarily tea plantation workers. Historically, this sector has lagged significantly behind the other two in terms of social and economic development.

<sup>7</sup> These assessments were conducted by the National Educational Research and Evaluation Commission (NEREC), University of Colombo.

cantly higher access to secondary education compared to children from poor households (see Table 1). There is also a clear disparity in access across the urban, rural and estate sectors<sup>6</sup>, with children from the urban sector enjoying much better access to higher levels of schooling. According to the findings of an assessment of learning outcomes of grade 4 students conducted in 2009<sup>7</sup>, disparities are evident in the quality of education as well—there is a 17% difference in test scores between the best and worst performing provinces in mathematics, and an astounding 32% percentage difference between the best and worst performing provinces in English (World Bank 2013b). Health and nutrition indicators also show disparities across population groups, with children from the poorer segments of society experiencing significantly higher incidence of stunting and wasting (UNICEF 2012a).

4. In order to accelerate economic growth and move further up along the development ladder, the country will need to strengthen its human capital and bridge persisting gaps in various dimensions of human development. As discussed above, despite its economic and human progress in recent years, Sri Lanka still has persisting gaps in human development, particularly in the area of ed-

ucation. As Sri Lanka seeks to accelerate economic growth and progress to the status of a high-middle income country, it will need to bridge these gaps in human development.

5. The government of Sri Lanka recognizes the importance of human capital formation, including the role of Early Childhood Care and Education (ECCE), in achieving the country's development objectives. Sri Lanka's National Development Policy Strategy, encapsulated in the Mahinda Chintana (2011-2016), articulates the government's desire to promote equitable, broad-based economic growth through the expansion of infrastructure, rural development and investment in human capital (World Bank 2012). The policy also explicitly recognizes the important role of ECCE in developing the country's human capital and ensuring equitable growth.

6. However, Sri Lanka's public expenditure on education is low, compared to the region and other lower-middle-income countries. Public expenditure on education as a percentage of GDP has been declining progressively since 2006 and is currently the lowest in the South Asia region. While the average public expenditure on education as a percentage of GDP was 2.76% in 2006, it had dropped to 1.75% in 2013 (World Bank 2014b). As Figure 1 indicates, this is the smallest share of public investment in education among countries that share similar development characteristics with Sri Lanka (World Bank 2011a). Research shows that student learning levels are positively associated with per student investments in education, and countries which under-invest in education tend to under-perform in terms of education outcomes (World Bank 2011a). There is clearly scope for Sri Lanka to increase its investment in education to bring it in line with other middle income countries.

7. Its current public spending on Early Childhood Education (ECE) is particularly low. Global trends in public investment in ECE show that spending on ECE ranges from 1.2 to 9 percent of total public education expenditure (ILO 2012). Sri

FIGURE 1: Public Investment in Education as a Percentage of National Income (2012 or nearest year)



Source: Authors based on World Bank EdStats Data 2012 or nearest year available

<sup>8</sup> According to OECD (2006), the average public expenditure on preprimary education for OECD countries is approximately 0.43% of GDP. Sri Lanka's current budget allocation for ECE (less than 0.0001% of GDP) is significantly smaller than this percentage.

Lanka currently allocates only around 5.5 million Sri Lankan Rupees (SLR) from its budget (equivalent to around 0.004% of the total public expenditure on education) for ECE through its Ministry of Child Development and Women's Affairs (MoF 2014). Thus, while there is a growing recognition of the importance of ECE in Sri Lanka, the nation's public investment in ECE is in the lower range of international trends.<sup>8</sup>

**8. This report discusses the state of ECE provision and the policy framework for delivering ECE in Sri Lanka within the broader context of ECCE provision, and presents policy options for the future.** Given the importance of investments in ECE for human capital formation, this report is intended to serve as an in-depth situation analysis of ECE provision in Sri Lanka, focusing on issues of access, equity and quality. The analysis of the policy framework for delivering ECE looks at the extent to which there is an enabling environment for ECCE, what provisions exist for monitoring and quality assurance, and how widely the policy is being implemented. The policy options discussed in the report draw upon both sets of analyses.

## 1.2 The Importance of Early Childhood Care and Education for Sri Lanka's Economic and Social Development

**9. Early childhood is arguably the most important and sensitive stage of human development.** Early childhood, typically considered as the period from conception till the transition into primary school at age 6 or 7, is a critical window of opportunity for human development since an astounding 85 percent of brain development occurs by the time a child is five years old (Shonkoff and Phillips 2000). During this time, the foundations of a human being's physical, cognitive, linguistic, and socio-emotional skills are developed. Different types of interventions are appropriate for supporting the development of these skills at different stages of early childhood. Early Childhood Care and Educa-

tion (ECCE<sup>9</sup>) is a term broadly used to refer to all formal and informal interventions which support the multidimensional early childhood development process.

**10. ECCE interventions for different stages of child development range from programs for prenatal health and nutrition to brain stimulation through structured school readiness programs.** Early childhood can be divided into the following four stages, each with its own developmental priorities: (a) prenatal; (b) birth to 6 months; (c) 7 months to 2 years; and (d) approximately 3 to 5 years. In the first two stages, the developmental priorities are to ensure the health and nutritional wellbeing of the mother and child, as well as early emotional and behavioral stimulation for the child through family-based childcare. For children up to 2 years of age, the priority is to develop bonds with their care giver in a nurturing environment. For 3-5 year olds, the priority shifts to early learning through a center-based and play-based approach; the focus also begins to move to more structured school readiness elements. Early Childhood Education (ECE) primarily caters to this 3-5 year age group.

**11. While ECCE interventions can yield a range of short and long-term benefits, both to individuals and to society as a whole, the arguments for investing in ECCE in general and ECE in particular can be grouped into three broad categories.** More specifically, the case for investing in ECCE can be made from the perspective of (i) equalizing learning and earning opportunities for individuals from diverse backgrounds, (ii) maximizing returns to investment, and (iii) preparing children for formal schooling to

**TABLE 2 : Summary of Benefit-Cost Ratios for ECCE Interventions in Indonesia**

Group	Benefit-Cost Ratio
Children from the poorest expenditure quintile	6.93
Children from the lower expenditure quintile	5.33
Children from the middle expenditure quintile	4.71
<i>Average</i>	<i>6.01</i>

Source: World Bank (2006)

<sup>9</sup> Note: In many other studies and contexts, the terms Early Childhood Development (ECD), Early Childhood Care and Development (ECCD) and Early Childhood Care and Education (ECCE) are used to represent the same concept.

<sup>10</sup> The World Bank Group's Education Strategy 2020 also emphasizes the importance of investing in the early years of a child's life. "The bottom line of the Bank Group's education strategy is: Invest early. Invest smartly. Invest for all." (World Bank 2011b, p. 4).

improve learning levels in school and accelerate human capital accumulation. The first is the equity argument. The second is the economic argument, which emphasizes the long term economic returns to investing early and investing smartly. The third is the school readiness argument.<sup>10</sup>

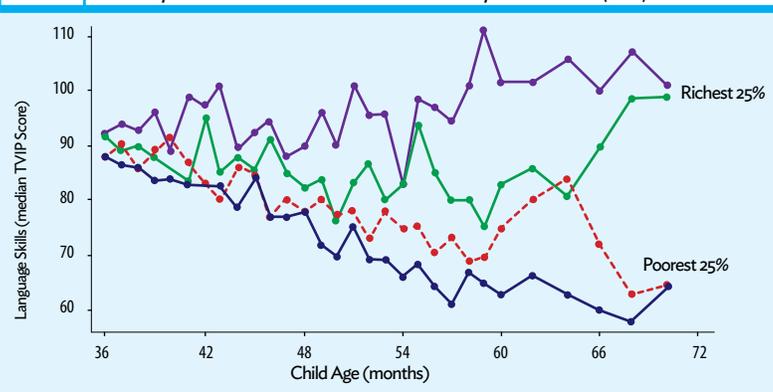
**12. ECCE has an important role in ensuring equitable development.** There is substantial evidence that the various correlates of poverty, including malnutrition, stress, disease, lack of early learning facilities, inadequate stimulation and limited early learning opportunities place poor children at greater risk of poor cognitive development (Alderman, 2011; Nadeau et al. 2011; Engle and Black 2008; NSCDC 2014). These risk factors not only delay the physical and cognitive development of the poorest children, but can also sometimes result in irreversible consequences (Irwin et al. 2007; Shonkoff and Garner 2012). (Paxson and Schady 2007) studied the relationship between early cognitive development and socio-economic status in Ecuador, a developing country. Their results show that while the variation in vocabulary scores among 3 year old children is generally small, the gap in scores between the poorest and wealthiest income quintiles increases progressively for older children and is quite substantial for six year olds (Figure 2). Studies such as this indicate that gaps in cognitive development begin early and continue to widen over time. The provision of high quality ECE for economically disadvantaged children can compen-

sate for the deficiencies they face in their home environment and enable them to keep up with their wealthier counterparts.<sup>11</sup> Thus ECE interventions can play an important role in breaking the inter-generational cycle of poverty and promoting an equitable society.

**13. The imperative for investing in early childhood is not only moral but also economic.** Children who are disadvantaged early are more likely to have lower educational attainment levels, have lower productivity and incomes, be at risk of delinquency, and have less than optimal health outcomes. Hence, they are ultimately less likely to contribute to a country's economic growth (Nadeau et al. 2011). Remedial efforts to compensate for early childhood deficiencies are costly both to the individual and to society (Carneiro and Heckman 2003). While failure to achieve optimal early childhood development is costly, optimal early childhood development yields highly positive benefits, both in the short and long run. So it is not surprising that numerous studies point to ECCE as one of the best investments in human development.

**14. There is substantial evidence that ECCE interventions have a high benefit-cost ratio** (Nadeau et al. 2011). Benefit-cost analyses of several early childhood interventions in the United States have found that the benefit-cost ratio of ECCE is between 2:1 to 16:1 (Karoly et al. 2005). Using a simulation model to study the economic effects of preschool enrollment, Engle et al. (2011) show that increasing preschool enrolment to 25 or 50 percent in low and middle-income countries would result in benefit-cost ratios between 6:1 and 17:1. Moreover, the poorest children benefit the most from these programs as indicated by evidence from Indonesia (see Table 1). Longitudinal studies in both the developed and the developing world – Jamaica, Turkey, Philippines – show that participants in ECCE programs do significantly better in terms of occupational status and earnings. There may also be additional economic gains for household members, particularly females, since ECCE programs often allow them to spend more time on their own education or work (Nadeau et al. 2011).

**FIGURE 2:** Vocabulary Scores<sup>12</sup> of 36-72-Month Children in Ecuador by Wealth Quintile (2007)



Source: Paxson and Schady (2007)

<sup>11</sup> The Head Start program is a national pre-school program targeted towards economically disadvantaged children in the US. Evaluations of this program show that participating students have improved test scores and reduced dropout and repetition rates in early years of formal schooling (Alderman 2011).

<sup>12</sup> Test de Vocabulario en Imagenes Peabody (TVIP), also known as the Peabody Picture Vocabulary Test.

## BOX 1: Improving School Readiness through ECE in Argentina

The gross enrollment rate (GER) for pre-primary education in Argentina was 49% in 1991. The Federal Education Law made pre-primary education compulsory starting in 1993. Enrollment expanded rapidly in the following years, and by 2011 the GER increased to 74% (UNESCO 2013). Argentina currently provides three years of pre-primary education for children in the 3-5 age group through its public school system.

A study by Berlinski et. al (2006) on the impacts of pre-primary education on primary school outcomes in Argentina showed the following interesting findings:

- Pre-primary school attendance had a large positive effect on third grade standardized Mathematics and Spanish test scores as well as on non-cognitive behavioral scores.
- There was a positive association between pre-school participation and measures of classroom attention, effort, and discipline and class participation.

These findings suggest that preschool attendance may also have a positive impact on long-term academic performance.

Source: Berlinski et al. (2006)

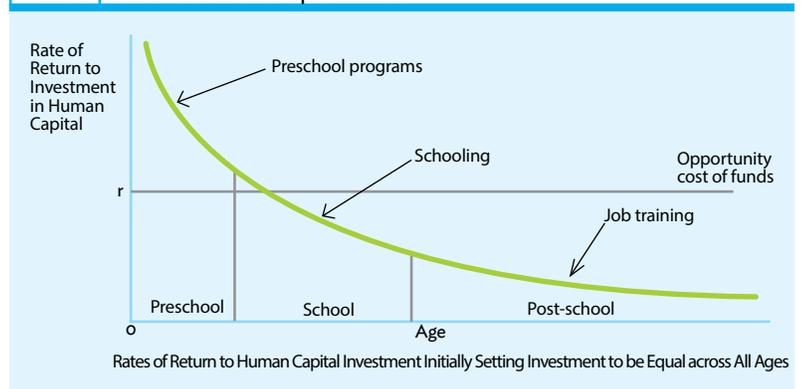
15. **There is also a growing body of evidence that, along with having a high benefit-cost ratio, investment in early childhood has the best rate of return of any human capital investment.** Early interventions have higher economic returns per dollar invested than interventions at any other stage in life (Nadeau et al. 2011, Heckman 2008). The rates of return to human capital at different periods in a person's life cycle are illustrated graphically in Figure 3, which shows that ECE investments yield much higher returns than investments in formal schooling and job training (Carneiro and Heckman 2003). Studies have estimated the annual rates of return for high quality ECE programs to be between 7% and 16% (Nadeau et al. 2011). Overall, the evidence is clear: investing in early childhood pays high dividends.

16. **ECE in particular can also enhance school readiness and educational outcomes.** There is universal acknowledgement that children who come prepared with certain cognitive and socio-emotional competencies have better chances of succeeding in primary school. School readiness involves development in five interconnected domains: 1) physical development (including physical well-being and motor development); 2) social and emotional development; 3) approach to learning/language development; 4) cognitive development and; 5) general knowledge (UNESCO 2007). Several ECCE interventions have been shown to improve school

readiness and outcomes. These include early education and pre-literacy programs, nutrition interventions, and parenting skills and knowledge training programs (Nadeau et al 2011). Box 1 presents evidence on the impact of pre-primary education on primary education outcomes in Argentina.

17. **Improved performance on standardized tests, reduced school drop-out rates, and increased grade retention rates are some of the key positive impacts of ECE on educational outcomes** (Nadeau et al. 2011). The evidence from OECD countries participating in the 2009 Program for International Student Assessment (PISA) shows that students who had participated in ECE programs for one year or more scored 33 points higher than their

FIGURE 3: Rates of Return to Human Capital Investment



Source: Carneiro and Heckman (2003)

## BOX 2: Sri Lanka's Progress in Maternal and Child Health

Sri Lanka began investing in maternal and child health in the 1940's. As a result, Sri Lanka now has an extensive network of free maternal health and integrated child care services. Its maternal, infant and under-five mortality rates have declined dramatically in most parts of the country. Its under-five mortality rate, in particular, has declined from 32 deaths per 1000 live births to 17 in 2010 (UNICEF 2012a). These successes have placed the country on track to achieve the MDG goals associated with reductions in child mortality, improvement in maternal health, and control of infectious disease, respectively (World Bank 2014).

Despite these successes, there remains room for improvement in the area of maternal and child nutrition (World Bank 2014). While maternal and child malnutrition rates have declined substantially in the last decade, they hover at less than acceptable levels. However, this is more a result of ineffective interven-

tions in the last decade rather than a reflection of a lack of initiative on the part of the Sri Lankan government (World Bank 2014).

The government of Sri Lanka has clearly acknowledged the need to improve health and nutrition in the Mahinda Chintana (2010-2016)—its vision document for the future. This document lays out a set of ambitious health indicator targets for the next decade. As part of the national strategy to achieve these targets, the government has launched a multi-sectoral National Nutrition Action Plan which focuses on reducing maternal and child malnutrition using a multi-sectoral, community-based approach (World Bank 2014b). Building upon the lessons learned from the previous nutrition program, this new plan is aimed at encouraging demand creation and community based interventions to improve the nutritional status of pregnant women and young children below five years of age.

Source: World Bank (2014); UNICEF (2012a)

counterparts who had not participated in an ECCE program, after accounting for socio-economic factors (OECD 2010). Programs such as the High/Scope Perry Preschool Program in the United States show that ECE can also improve grade retention: participants in the program had higher rates of high school completion than their counterparts in the control group (Nadeau et al. 2011). Because ECCE has a role in improving both access to and quality of education, it can ultimately improve the pace of human capital formation.

**18. Investing in ECE will enable Sri Lanka to close development gaps and achieve its economic and social development goals.** As previously noted, despite significant achievements, Sri Lanka has a number of gaps in human development that need to be addressed in order for it to achieve its full potential. These include: 1) inequitable economic and social development; 2) progressively lower enrollment rates at higher levels of education; and 3) inadequate levels of learning achievement. The evidence discussed above clearly shows that ECE interventions can potentially address these con-

cerns by promoting equity, increasing schooling efficiency, enhancing school readiness, and maximizing returns to investments in human capital. As such, ECE has an important role in ensuring that Sri Lanka achieves its development objectives of equitable development and economic growth.

### 1.3 Objectives and Scope of the Report

**19. This report focuses on Early Childhood Education within the broader ECCE framework.** Early childhood development is a multi-dimensional process and ECE (which covers the 3-5 year age group) is one component of the broader ECCE framework for the entire childhood period from conception to age 5. The Government of Sri Lanka already devotes extensive resources to address the pre and post-natal health and nutrition issues related to children in the 0-5 age group (See Box 2). The current gaps in the country's ECCE programming mainly center on pre-primary education. Hence, this report primarily focuses on

understanding the situation of ECE services for the 3-5 year age group.

**20. The report is intended to serve several purposes. First, it provides an understanding of the current policy framework and delivery system for ECE in Sri Lanka.** Second, it provides a situation analysis of ECE provision in Sri Lanka, discussing the issues of access, equity, and quality including school readiness of preschool children. The report also highlights international best practices in ECE policy and service delivery. And third, it presents policy and program options based on the findings of the above analyses.

**21. The report draws on several sources of information in an attempt to present a comprehensive and well-informed analysis.** These include: 1) a dedicated survey of ECE providers and beneficiaries done as part of the current study to collect information on the scope and quality of ECE services and the level of school readiness among preschool children in Sri Lanka<sup>13</sup>; 2) a survey of ministries, government agencies and non-governmental organizations based on the SABER<sup>14</sup> framework to

collect policy-related information; 3) Sri Lanka's annual Household Income and Expenditure Surveys (HIES), 2009/10 and 2006/7; and 4) the National Survey on ECD (2010). It also draws upon government documents and global evidence from well-recognized ECCE/ ECE studies and reports.

**22. The report is divided into five chapters.** This introductory chapter has presented an overview of the country and sector contexts, and the rationale for investing in ECE. It is followed by Chapter 2 which provides an overview of the policy framework for ECCE as a whole in Sri Lanka, and discusses issues related to governance of ECE. Chapter 3 analyzes the state of ECE provision focusing on the issues of access and equity. Chapter 4 presents findings on the quality of the ECE system, including evidence on school readiness of Sri Lankan children. It also discusses the existing quality assurance framework for ECE. Chapter 5 discusses how ECE is currently financed in Sri Lanka, and presents a range of options and modalities for ECE financing drawing from international experience. Each chapter concludes with a summary of policy options for moving forward.

<sup>13</sup> Conducted specifically for the current study, this survey is referred to as the Early Childhood Education Quality Assessment Survey (ECEQAS) for Sri Lanka, 2013.

<sup>14</sup> The Systems Approach for Better Education Results (SABER) framework will be discussed further in Chapter 2.



CHAPTER 2:

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Creating an Enabling  
Environment for Early Childhood  
Care and Education in Sri Lanka

**23. A robust enabling environment for early childhood development is one that ensures children access to the entire spectrum of care and education services.** While this report focuses on ECE, it is important to first gain an understanding of the quality of the broader ECCE policy framework as a whole since early childhood development is the result of cumulative inputs in various interconnected developmental domains. Gaps in the policies and provisions for one domain are likely to have an impact on other domains. This chapter begins with a brief overview of the evolution of ECCE policy in Sri Lanka, followed by an analysis of the quality Sri Lanka's ECCE policy framework as whole. The rest of the chapter focuses on the quality of the policy framework for ECCE governance—a key aspect of the enabling environment for ECE.

## 2.1 The Evolution of ECCE Policy in Sri Lanka

**24. Sri Lanka's first entry point into ECCE was through its public health care system.** Sri Lanka's early childhood interventions in the area of health and nutrition were among the first entry points into ECCE. The country's well established public health infrastructure provides high quality maternal and child health care, ensuring that a child receives appropriate nutrition along with basic preventative health care prior to its birth and through its early developmental years.

**25. A more holistic approach to ECCE came in the form of the *General Education Reforms of 1997*.** These reforms provided the first clear indication of the government of Sri Lanka's recognition of the

education sector's important role in the care and development of young children. The Reforms also highlighted two institutions as key stakeholders in ECCE: the Children's Secretariat and the Non-formal Education Branch of the Ministry of Education (MoE). The Children's Secretariat, originally housed at the Ministry of Social Welfare and now under the Ministry of Child Development and Women's Affairs (MCDWA), has since had a more prominent role in ECCE programming in the country.

**26. In addition to the education sector reforms and long standing health policies on ECCE, the government also introduced policy initiatives to address issues related to child protection and welfare.** A key initiative in this area was the establishment of the National Child Protection Authority (NCPA) in 1998—an organization with the mandate to formulate child protection policy, enforce child protection laws, and coordinate and monitor actions to prevent child abuse. Although these education and child protection initiatives, along with the well-established health sector policies, were indicative of the government's commitment to ECCE, the country still lacked a comprehensive national policy on ECCE.

**27. In 2004, the Cabinet approved the National Policy on Early Childhood Care and Development.** The Policy, formulated by the Ministry of Child Development and Women's Affairs (MCDWA), clearly articulates a holistic and integrated vision for early childhood development in Sri Lanka, and remains the key document underlying the institutional framework for ECCE in the country. Some of the main features of the National Policy are outlined in Box 3. Although the

### BOX 3: Key Features of Sri Lanka's National ECCD<sup>15</sup> Policy

- Articulates a holistic and integrated vision for ECCD in Sri Lanka
- Is inclusive in its approach to children with special needs
- Clarifies the roles and responsibilities of the various actors and agencies (including Central, Divisional, and Local Government authorities) involved in the provision of ECCE services
- Articulates the relationship between all relevant stakeholders
- Aims to mobilize resources for ECCE
- Aims to promote the role of parents, caregivers, and the community in the development of children, and enhance their capacity to support their children's development, and
- Prioritizes home-based early childhood development activities, day care facilities, and preschools

Source: MCDWA (2004)

15 ECCE is used interchangeably with the terms ECCD and ECD to refer to all interventions targeting the holistic development of children from conception through their entry into primary school. In Sri Lanka's official documents, ECCE is referred to as ECCD. Hence, whenever we make reference to an official document on this subject, we maintain the use of the term ECCD.

Policy was approved by the Cabinet in 2004, a decade later it is still pending Parliamentary approval. Unless the Policy is fully enacted, it cannot be legally enforced and as such, lacks efficacy.

## 2.2 Analyzing the Quality of Sri Lanka's Integrated ECCE Policy Framework

**28. The World Bank's Systems Approach for Better Education Results (SABER)-Early Childhood Development (ECD) initiative proposes a framework for analyzing the quality of a country's policies and provisions for ECCE.** The SABER-ECD framework covers all sectors involved in early childhood development, namely health, education, social protection and child protection. The main pillars of this framework are three policy goals (or objectives) for an effective ECCE system: 1) Establishing an Enabling Environment; 2) Monitoring and Assuring Quality; and 3) Implementing Widely (World Bank 2013). Each policy goal is associated with a set of policy levers, which are actions that a government

can take to achieve the goal. The first goal refers to the existence of an adequate legal and regulatory framework to support ECCE. The second refers to the development of standards for ECCE services, the monitoring of compliance with standards, and the implementation of systems to monitor outcomes (World Bank 2013a). The third refers to the coverage and scope of ECCE programs offered in country. Within this framework, there are four stages in the policy development continuum: Latent (least developed), Emerging, Established and Advanced (most developed). Annex Two provides a description of the relationship between policy goals, levers and associated outcomes, and also includes a table of characteristics associated with each of the four stages of policy development. Box 4 provides further details on the SABER-ECD initiative.

**29. The results of the SABER-ECD analysis for Sri Lanka reveal mixed progress.** While health, nutrition, social and child protection policies are established or even advanced, early childhood education policies and provisions are mostly latent or just emerging. As Table 3 indicates, Sri Lanka appears

### BOX 4: The Systems Approach for Better Education Results (SABER)-Early Childhood Development Initiative

Building upon their Education Strategy 2020, the World Bank's Human Development Network launched the *Systems Approach for Better Education Results* (SABER) to help countries examine their education policies systematically. Using this approach, specific education policy domains have been identified to cover the span of education systems from early childhood to entry into the workforce.

SABER-Early Childhood Education (ECD) is intended to serve as a diagnostic tool for helping policymakers to identify gaps and areas in need of policy attention to promote healthy and robust development for all children. Although an education sector-led initiative, SABER-ECD is premised on a holistic view of early childhood development that sees early childhood development as taking place across several interlinked domains that span multiple sectors. Accordingly, the diagnostic tool looks at policies and provisions across various sectors which are relevant to early childhood de-

velopment including health, education, social protection and child protection.

Since SABER-ECD was launched in 2010, more than thirty-five countries have participated in the initiative. SABER-ECD has allowed Bank staff and policymakers in these countries to view their respective ECD systems through a comparative lens and identify policy options for strengthening ECD at the national and sub-national levels. Approximately 65% of participating countries are emerging on all three policy goals; the remainder are almost evenly divided between latent or established on the three goals. None of the countries have established an advanced enabling environment or an advanced monitoring and quality assurance framework. Sri Lanka is one of only two countries (the other being Mauritius) that have reached the advanced stage in terms of the policy goal of "implementing widely". More information on SABER-ECD may be found at: <http://saber.worldbank.org/index.cfm?indx=8&tb=6>

Source: World Bank (2013a)

**TABLE 3: Analyzing the Development Levels of Sri Lanka's ECCE Policies**

ECD Policy Goal	Level of Development	Policy Lever	Level of Development	
Establishing an Enabling Environment		Legal Framework		
		Inter-sectoral Coordination		
		Finance		
Monitoring and Assuring Quality		Data Availability		
		Quality Standards		
		Compliance with Standards		
Implementing Widely		Scope of Programs		
		Coverage		
		Equity		
Legend:	Latent	Emerging	Established	Advanced

Source: Authors (2014)

to be emerging on the first two policy goals and advanced on the third. However, these results mask vast disparities in the policies and provisions across the sectors: While Sri Lanka has made progress in some aspects of the policy framework (including developing a multi-sectoral ECCE policy and establishing mechanisms for inter-sectoral coordination), the development of its sector-specific policies is highly imbalanced (see Figure 4). More specifically, health, nutrition and social protection policies and provisions are well advanced, but the policies and provisions for delivering ECE are weak. Annex Two includes a more detailed description of the results. From a policy perspective, enabling early childhood development in Sri Lanka will now mainly require addressing gaps in ECE policies and provisions. The rest of the chapter will focus on the policy framework for governance: the major obstacle for creating an enabling environment for ECE in Sri Lanka. ECE policy gaps in terms of access, monitoring and quality assurance, and financing will be discussed in chapters 3, 4 and 5 respectively.

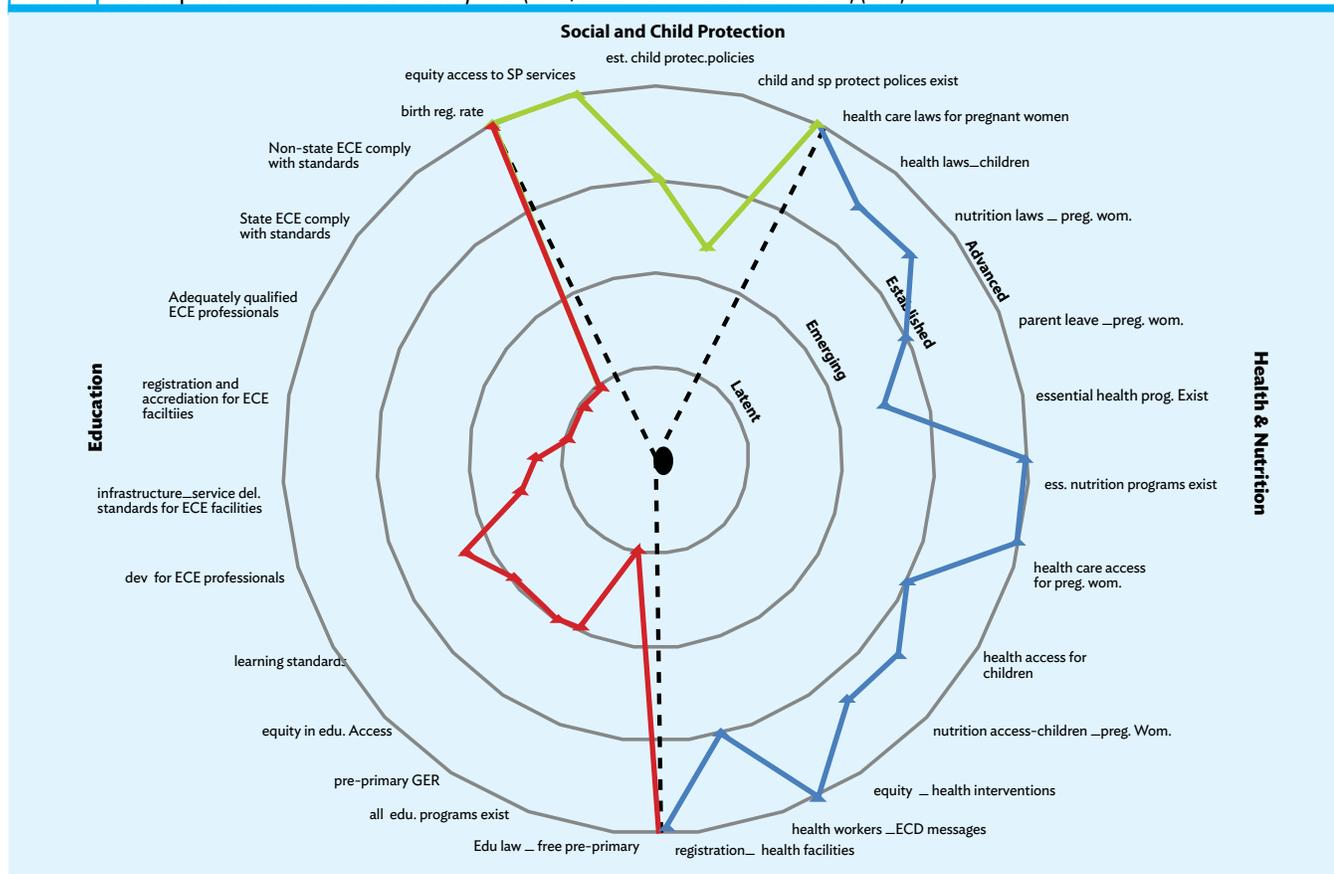
### 2.3 The Legal Framework for Governance of ECE in Sri Lanka

**30. An effective National Policy needs to address the critical dimensions of governance, i.e. administrative organization, decentralization, and the role of private actors.** Although the current draft National

Policy attempts to address issues related to the administrative framework, decentralization and the role of private actors, it remains inadequate in its treatment of each of these areas. This is particularly important in the context of Sri Lanka, which has a highly decentralized governance structure, and where ECE provision is dominated by the private sector.

**31. The legal framework for ECCE provision in Sri Lanka does not provide adequate clarity on the implementation structure of ECE, or on who should take the lead role in implementing ECE.** Although the cabinet approved National Policy on Early Childhood Care and Development is an encouraging aspect of the policy environment in Sri Lanka, its weak legal status poses a challenge for the implementation of ECE in particular. This is because, unlike the health and social protection sectors, ECE is not provided by the State and there is no clear precedent for government engagement in the area. The National Policy needs to provide greater clarity on the roles of the State and non-State actors in the provision of ECE services. Although the Policy lays out a management structure for implementing ECE, it cannot be legally enforced because the Policy has not been enacted. The Policy identifies the Ministry of Child Development and Women's Affairs as the focal point for ECE, with a supporting role for MoE. However, discussions with key stakeholders in the country indicate that there is still no consensus on which ministry should take the lead role in implementing ECE. Without a strong legal framework,

**FIGURE 4: The Development Levels of Sri Lanka's ECCE Policies by Sector (Health, Education and Social and Child Protection) (2014)**



Source: Authors (2014)

Note: The four concentric circles represent the four levels of development from latent to advanced. Sri Lanka's scores on each indicator were mapped onto these circles (only sector specific indicators were included). As the figure indicates, most of the health and social protection policies fall between the outer circles indicating established or advanced development. The education policies, on the other hand fall mostly between two inner circles, indicating they are latent or just emerging

the management structures and roles and responsibilities cannot be institutionalized. The weak legal status of the Policy has resulted in weak management of the early childhood education program in the country. Annex Three present the current operational structures of the MCDWA (as outlined in the National Policy and the 2005 Guidelines for Child Development Centers) and MoE.

**32. Moreover, there is a lack of coherence between the National Policy and the role of the Provinces in the decentralized governance structure of the country.** In accordance with the 13th amendment to the Sri Lankan constitution, the responsibility for implementing ECE lies primarily with the Provincial Councils (PCs). The amendment empowers PCs to manage the implementation of ECE activities, namely the management preschools. As such, PCs are responsible for developing appropriate ECE programs, registering preschools, and taking the necessary legislative actions to supervise the management

of preschools (MoE 2008). On the one hand, the Policy proposes a management structure consisting of different coordinating committees at different administrative levels of the government for implementing the Policy. On the other hand, the PCs have their own management structures which do not necessarily link up with the coordination committees proposed by the Policy or with the subordinate agencies of MCDWA at the local level. Hence, there is a problem of effective coordination among agencies in the implementation of the Policy. The apparent lack of coherence between the Policy and the provisions in the 13th Amendment also complicates the allocation of financial and other public resources for implementing ECE programs in the provinces. Enacting the Policy may be a first step in aligning the roles and responsibilities of the Provinces and the State, but the Policy itself may need to be improved upon to ensure that there is an effective and efficient division of responsibility for ECE within the highly decentralized administrative structure. Box 5

## BOX 5: Sweden: Implementing ECE in a Decentralized Structure

Sweden's performance in early child care is exceptional. It is ranked at the top of the league in early childhood services (UNICEF 2008). Early Childhood Education and Care (ECEC) and other social services follow a decentralized system. Funding for ECEC is generated through local taxes which is equal to about 20 percent of the personal income of a tax payer (Bremberg 2009). Inequalities between rich and poor localities are offset by a system of tax equalization across municipalities.

On the policy side, elected members of the local municipal councils have the flexibility to adapt ECEC services within the mandated national framework. Parents are required to pay only 10 percent of the cost since the municipality bears the rest of the financial burden (Bremberg 2009). One rationale behind this large contribution of public funds is that preschools allow more parents to take on full time work thereby increasing the tax base of the municipality.

Source: UNICEF (2008); Bremberg (2009)

provides an example of successful implementation of ECE in a decentralized structure.

**33. The National Policy acknowledges the role of the Private Sector in ECE provision but does not discuss a distinct regulatory framework.** As in many countries, the private (both for- and not-for profit) sector plays an important role in providing ECE services in Sri Lanka. For most countries in transition, the private sector and non-governmental organizations are vital partners in ensuring wide implementation of ECE (UNESCO 2007). Currently, 60% of ECCE services (including preschools, crèches, and day care centers) is provided by the private sector, and approximately 24% is provided by NGO's, religious organizations and other non-government entities (MoE 2012). Sri Lanka's National Policy recognizes that the Private Sector plays a significant role in the provision of ECE and encourages the involvement of the Private Sector in ECE provision, while acknowledging that this kind of involvement must be undertaken with proper guidance at the appropriate administrative level. However, apart from acknowledging this, the Policy does not discuss any distinct regulatory framework for private providers. This is an important area for further policy dialogue and development.

## 2.4 The Way Forward

Sri Lanka's policies and provisions for ECCE have evolved considerably over the last few decades but

there is still room for improvement, particularly in regards to policies and provisions for ECE.

**34. There is an urgent need to get the National Policy on ECCD approved by the parliament.** The approval of the Policy by the parliament will provide a firm legal basis for the operations of the Children's Secretariat in MCDWA—the designated institutional anchor responsible for executing the decisions of the National Coordination Committee and implementing the Policy. It will also enhance the convening power of Coordination Committees at the Provincial, District, and Divisional levels, and enable them to function more effectively.

**35. There is also a need to ensure coherence between the National Policy and the provisions of power devolution to PCs in the 13th amendment to the Constitution.** Along with parliament approval of the Policy, it is equally important to explicitly and clearly document the respective roles and responsibilities of MCDWA and relevant agencies under the PCs within the framework of the 13th amendment. Currently, apart from coordination problems, there is also the problem of overlap in responsibilities between the different Coordination Committees and the Ministries of Education within PCs. The clarification of roles and responsibilities will help to minimize the duplication of efforts and maximize the effective use of human, financial, and material resources. It is also important to clarify the mechanisms for budget allocations across the different central level and provincial level agencies involved in implementing ECCE activities.



CHAPTER 3:

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# Patterns of Access and Participation in Early Childhood Education in Sri Lanka

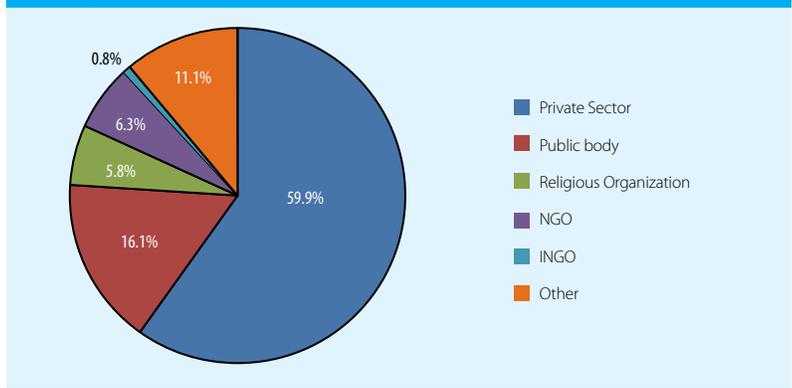
36. Expanding access to Early Childhood Education (ECE) should be a policy priority for Sri Lanka. Failure to ensure high levels of access to ECE services may have significant costs for Sri Lanka's economic and social development in the short, medium and long term (World Bank 2013a). When children lack readiness for primary school, they not only limit their own chances of success, but also influence classroom dynamics and the experiences of all children in the classroom. Moreover, ECE has been shown to be particularly important in leveling the playing field for all children, providing the most disadvantaged children with equal opportunities for maximizing their learning. This chapter provides an overview of current patterns of access and participation in ECE, and discusses policy options for moving forward.

### 3.1. ECE Provision in Sri Lanka

37. In Sri Lanka, children between the ages of 3-5 years are expected to attend preschool. There are approximately 17,020 ECE centers in Sri Lanka catering to a total population of 475,620 children in the 3-5 age group. Approximately 89% of ECE centers are stand-alone preschools, and the remaining are some combinations of preschool and day care centers. Although 5 year olds are expected to participate in preschool (the official age of entry for grade one is 6 years), the data indicate that a significant percentage of these children are enrolled in grade one.

38. A great majority of ECE centers in Sri Lanka are either under private management or run by NGOs and other non-governmental entities. As Figure 5 shows, 60% of ECE centers are under private management, and 24% are run by non-public, non-private (including NGO's, INGOs, religious organizations, and others) and other non-government entities. The remaining 16% are managed by the government. The private sector refers to private individuals, groups or organizations, which manage preschools for profit. The non-governmental sector (which includes INGOs, religious organizations and other similar en-

FIGURE 5: Distribution of ECE Centers by Management Type in Sri Lanka (2012)

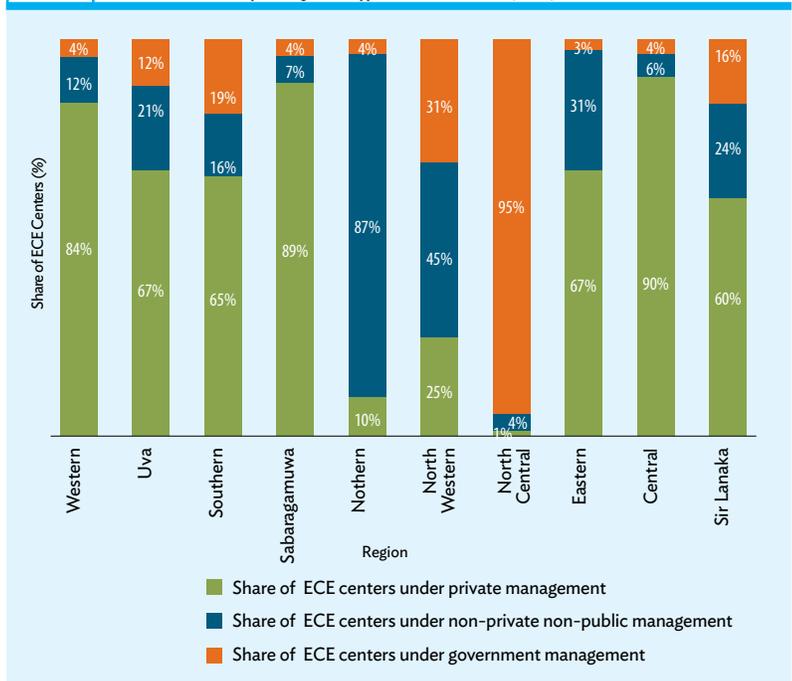


Source: MoE (2012)

ties) may also levy fees but are not primarily for profit. The remaining group comprises the public, or government preschools, which are run by local authorities such as municipal councils as well as preschools attached to state institutions, such as public universities.

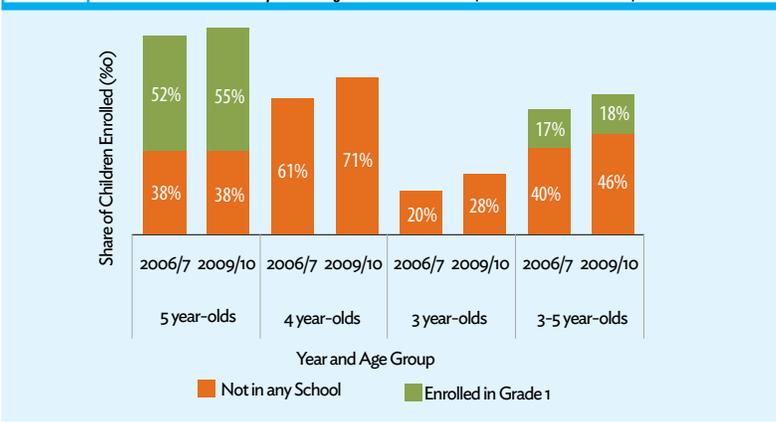
39. There is significant variation across provinces in the types of management (public vs. private) that dominate ECE provision. As Figure 6 indicates, more than half of the centers are under

FIGURE 6: Share of ECE Centers by Management Type in the 9 Provinces (2012)



Source: MoE (2012)

**FIGURE 7:** Shares of 3-5 Year Olds by Schooling Status in Sri Lanka (2006/07 and 2009/10)



Source: MoE (2012)

private management in 6 of the provinces, while government, religious, NGO and other management types account for the majority of centers in the remaining 3 provinces. In the North Central province, the majority of centers are publically managed. The Northern Province also stands out with 87 percent of the centers under non-private, non-public management.

**40. Only 3 of the 12 provinces have ECE centers which cater to vulnerable children or children with special needs (MoE 2012).** Less than one

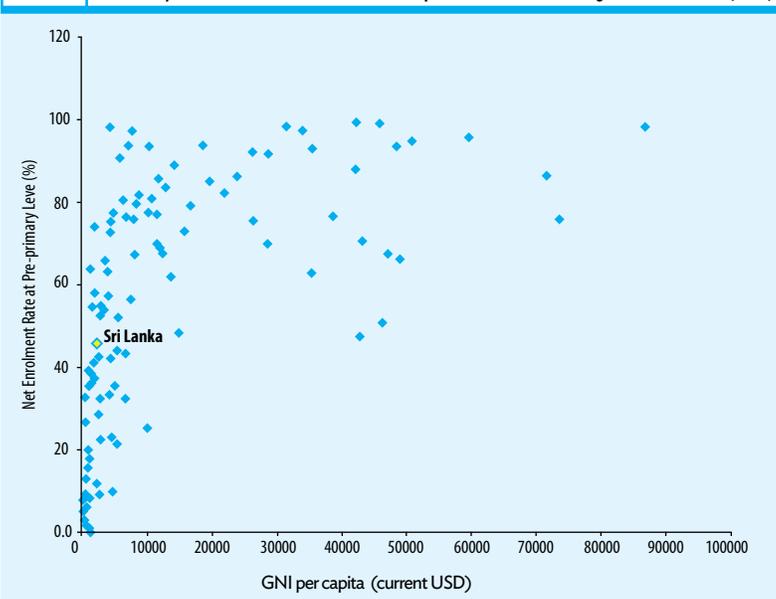
percent (49 centers) of all ECE centers exclusively cater to children with special needs and/or vulnerable children; and all these centers are concentrated in three provinces (Western, Southern and North Western).

### 3.2 Trends in Access and Participation

**41. Only 46 percent of all children aged 3 to 5 years are enrolled in preschool in Sri Lanka.** The most recent household survey data (HEIS 2009/10) indicate that only 46% of 3-5 year olds are enrolled in preschool--28 percent of 3 year olds, 38 percent of 5 year olds, and 71 percent of 4 year olds (see Figure 7). For 5 year olds, the low enrollment rate in preschool coincides with high enrollment in grade one. The reasons for low enrollment among 3 olds in particular are most likely to be varied. It may reflect cultural norms and a lack of parental understanding of ECE. It may also be a result of inadequate policies for ensuring that children receive developmentally appropriate care and education. Other reasons may include (a) geographical access problems, (b) social access problems, such as certain linguistic groups, ethnic minorities, or children with special needs not finding appropriate centers to cater to them; (c) financial problems; and (d) parental priorities – for example, while preschool education is not free, primary education is free, making it easy for parents to choose to put students in primary school.

**42. Comparison of preschool enrollment rates across low and high middle-income countries suggests that Sri Lanka is an average performer; however, it is a low performer among middle and higher income countries.** Sri Lanka is currently striving to move up along the development ladder to become a high middle-income country. Figure 8 plots the pre-primary NER and the per-capita incomes for countries across the world. As the figure indicates, many countries with similar or even lower per capita incomes than Sri Lanka, and most high middle-income and high-income countries have higher ECE enrollment rates than Sri Lanka.

**FIGURE 8:** Pre-Primary Education NER in relation to GNI Per Capita for Low, Middle and High Income Countries (2010)



Source: Preschool enrolment rate for 3-5 year-olds: Sri Lanka HIES (2009/2010);UIS database 2010 data

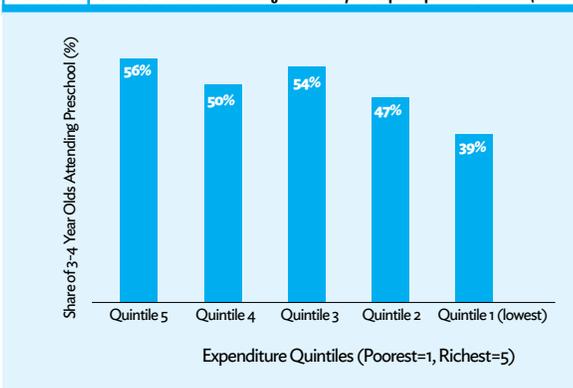
### 3.3 Equitable Access to ECE in Sri Lanka

43. There are significant disparities in access to preschool between the poorest and the wealthiest quintiles in Sri Lanka. Household socio-economic status is a key determinant of preschool participation in Sri Lanka. There is a significant difference in preschool enrollment rates between the richest and poorest expenditure quintiles. While disparities in access to preschool across household expenditure quintiles decreased between 2006/07 and 2009/10,<sup>16</sup> preschool enrolment rates among 3-4 year-olds in 2009/10 still tend to be much higher for richer households. As shown in Figure 9, approximately 56 percent of 3-4 year-olds from the highest quintile are enrolled in preschool, compared to only 39 percent from the lowest quintile. However, even for the highest quintile, there is plenty of scope for improving the enrollment rate. There is little difference in preschool enrollment rates across income quintiles in the case of 5 year old children.

44. There are also significant disparities in preschool enrollment across the urban, rural and estate sectors. As Figure 10 indicates, 59% of the children in urban settings are enrolled in preschool, in contrast to 48 % in the rural areas and 50 % in the estate sector. Although the estate sector has seen expanded preschool participation in recent years, regression analyses indicate that children living in urban areas are still significantly more likely to attend preschool than children living in the estate sector. Living in estates is associated with a reduction in the probability of preschooling by more than 17 percentage points for age 3, and 36 percentage points for age 4, relative to living in urban areas (see Annex Four for details).

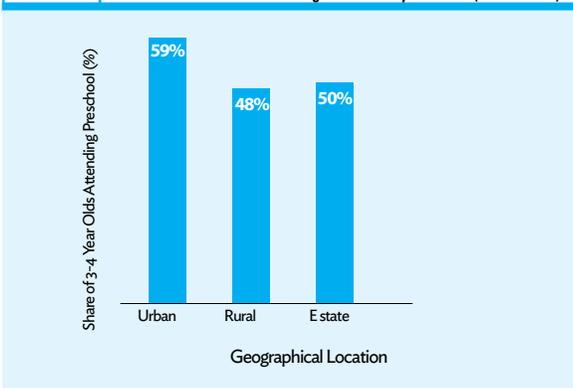
45. Gender and ethnicity are not important determinants of access to ECE in Sri Lanka. Regression results indicate that there is no statistically significant association between gender and preschool enrollment for children in the 3-5 year age group. Similarly, ethnicity is also not a significant determination of enrollment for this age group, though Moor children appear to have a slightly

FIGURE 9: Share of 3-4 Year Olds Attending Preschool by Per Capita Expenditure Quintiles (2009/2010)



Source: Authors' estimates based on HIES 2009/10

FIGURE 10: Share of 3-4 Year Olds Attending Preschool by Location (2009/2010)



Source: Authors' estimates based on HIES 2009/10

lower likelihood of enrolling in preschool (see Annex Four for details). It should, however, be noted that both males and females saw considerable increases in ECE participation between 2006/07 and 2009/10.

### 3.4 The Way Forward

46. Sri Lanka needs to expand ECE enrollment. Sri Lanka's ECE enrollment rate at 46% is low for its level of development, especially considering its goal of becoming a high middle-income country. Although there is no universal age of entry for preschool, there is increasing evidence that the strongest cognitive benefits may be for children who enter preschool between the ages of

<sup>16</sup> The difference in enrollment rates between the richest and poorest expenditure quintiles decreased from 25 percentage points in 2006/07 to 17 percentage points in 2009/10.

2 and 3 (Nadeau et al. 2011; Loeb et al. 2007; Armezin et al. 2006). The low enrollment rate for 5 year olds, which coincides with the high grade one enrollment rate for this age group, suggests that children are being prematurely pushed into primary school. Although children develop at different ages, research suggests that there may be negative consequences to enrolling children in primary school before they are ready--they may become confused or discouraged, and drop out early or repeat grades (Lloyd 2011). There is also evidence of higher benefits for children participating in center based ECCE for more than 12 months.

**47. Sri Lanka will need to pay special attention to improving access for children from lower wealth quintiles, as well as for children in the estate and rural sectors.** There are clear disparities in access to ECE across wealth quintiles and across locations of residence. ECE is especially important for the most disadvantaged children because the evidence shows that early developmental delays can have long term, and potentially irreversible consequences. Targeting early disadvantages has been shown to be an efficient way of achieving equitable development. In order to ensure that the country achieves optimal and equitable growth, Sri Lanka will have to expand access for its most disadvantaged children.

**48. Providing poverty-targeted scholarships is one strategy the government could consider to promote ECE participation among the most economically disadvantaged children.** As economic status is a significant determinant of access, there is a need to provide financial assistance to children from poor families to increase their participation in ECE. One approach to doing this is by providing poverty-targeted scholarships to economically disadvantaged children using a proxy-means testing approach. Using this method, the economic status of households can be estimated based on answers to a small set of questions related to some readily observable socio-economic characteristics of the households (which can be viewed as proxies of the household's actual income)<sup>17</sup>. It is also

possible to provide the selected beneficiaries with scholarship vouchers which they can use to attend ECE centers of their choice. Furthermore, the scholarships can be made conditional on regular attendance of ECE classes to increase the likelihood of enhanced learning outcomes for the scholarship beneficiaries. Providing income supplements to low income families using conditional cash transfers in this manner makes good sense both in terms of social protection and enhancing equitable access to education. Cash transfers worldwide have demonstrated large impacts on the education, health and nutrition of children.

**49. The provision of performance grants to ECE centers is another approach to increasing the participation of children from poor families in preschool.** By including the percentage of poor children as an indicator of center performance, for example, ECE centers can be encouraged to enroll more students who would otherwise not be able to attend ECE classes because of financial constraints. In order to ensure equity of access across locations, the government can potentially also use the concept of matching grants to encourage the establishment of preschools in geographically remote areas.

**50. Increasing parental awareness programs is another key strategy for ensuring full ECE participation of children in the 3-5 age group.** The participation of young children in ECE can potentially be increased by making parents more aware of the benefits of ECE. Parental awareness programs are necessary not only to encourage families to take advantage of the services offered by preschools and other ECD centers, but also to help them understand the importance of holistic child development. In an environment where most parents still want preschools to focus on academic learning, many parents might not be sending their younger children to ECE classes since they do not recognize the importance of the play-centered activities and socialization opportunities in preschool settings. In addition, this study's finding that a large percentage of 5 year olds are

<sup>17</sup> A number of countries, including Indonesia, Bangladesh, and Nepal have successfully used this approach to select and provide scholarships to school students.

enrolled in grade 1 points to the need to make parents more aware of the benefits of keeping children in preschool longer rather than sending them to grade 1 before they turn six <sup>18</sup>. Overall, there is a need to scale up parental awareness programs across the country, especially in areas where the enrollment rates are low (e.g., in rural areas and estates). The Ministry of Education can tar-

get awareness programs to applicants for early entrance into primary school to educate parents on the benefits of ECE and ensure that these children are not prematurely enrolled in primary school. Furthermore, the effectiveness of such programs could potentially be enhanced by linking them to nutrition campaigns targeted towards both mothers and children.

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<sup>18</sup> The tendency of parents to enroll children in grade 1 early might also be related to the fact that primary education in Sri Lanka is free while pre-school education is not.



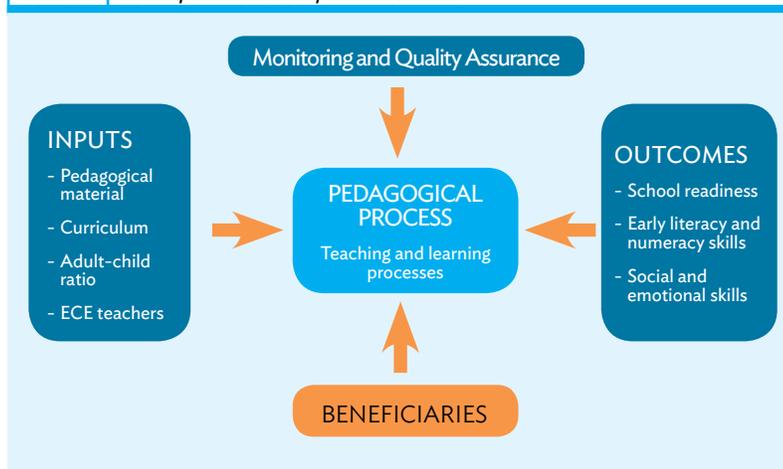
CHAPTER 4:

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Enhancing the Quality  
of Early Childhood  
Education in Sri Lanka

51. Sri Lanka will need to focus on improving the quality of ECE in order to ensure that its young children benefit from ECE programs. There is substantial evidence that higher quality preschool programs have a greater and more sustained impact on cognitive outcomes (Yoshikawa et al. 2013). By contrast, the impacts of low-quality programs are negligible or even detrimental to a child's development (World Bank 2013a). This chapter provides a brief overview of the conceptual framework for analyzing ECE quality, and examines the quality of ECE programs in Sri Lanka along with the quality assurance system for ECE. It also proposes policy options moving forward.

FIGURE 11: A Quality Framework for Early Childhood Education



Source: Adapted from UNICEF (2012b)

#### 4.1 A Framework for Early Childhood Education Quality

52. The quality of ECE can be analyzed by looking at four broad areas: the quality of inputs, the quality of the pedagogical process, the quality of outcomes, and the monitoring and quality assurance processes. Figure 11 presents a framework for analyzing ECE quality. Inputs refer to the structural elements of ECE such as the physical environment,

teaching-learning materials, adult-child ratio, curriculum and the teachers/educators. The pedagogical process includes the relationship of the teacher to the child, as well as the teaching and learning processes. Outcomes include school readiness (both in terms of cognitive and socio-emotional skills) as well as adaptability to the school environment. A strong ECE system also includes efficient mechanisms for monitoring, evaluating, and managing the quality of inputs, teaching and learning processes, and outcomes.

#### BOX 6: Sri Lanka's Early Childhood Quality Assessment Survey (ECEQAS) (2013)

The purpose of the Sri Lanka Early Childhood Education Quality Assessment Survey (ECEQAS) was to understand the characteristics and quality of service delivery of ECE centers, the demand for preschool education, and school readiness and behavioral outcomes of 3 to 5 year old children in Sri Lanka. Three key instruments were used in this survey: a quality assessment tool, a school readiness test and an adaptive behavior scale. These instruments were adapted from the Early Childhood Education Quality Assessment Scale (ECEQAS) originally developed by the Centre for Early Childhood Education and Development, Ambedkar University, Delhi. The survey was conducted in 2013 by the Marga Institute, a Sri Lankan survey research firm.

A two stage sampling approach was used to select the sample of ECE centers for this study. In the first stage, one district (the district with the highest number of ECE centers) was selected from each of the 9 provinces in the country using data from the National Survey on ECD of 2010. In the second stage, a sample of 250 centres was selected from these districts in accordance with the sector-wise and province-wise distributions in the National Survey on ECD. Accordingly, the sample included 10 centers from the estate sector, 88 centers from urban areas, and 152 centers from rural areas. See Annex 10 for further details on the survey methodology and instruments.

Source: Authors (2014)

## 4.2 Quality of ECE Inputs in Sri Lanka

53. Most of the data on the quality of inputs, teaching and learning processes, and outcomes are based on the Early Childhood Quality Assessment Survey (ECEQAS)—a survey conducted specifically for the current study. Box 6 provides more information on this survey.

### 4.2.1 Classroom Infrastructure, Teaching and Learning Materials and Class Size

54. A significant percentage of ECE centers in Sri Lanka lack adequate resources for teaching and learning, especially teaching-learning materials for children with special needs. Findings from the 2010 National Survey on ECD and the ECEQAS 2013 suggest that a large percentage of ECE centers lack sufficient basic inputs such as protected drinking water, first-aid boxes, blackboards, toys, scrap materials. The weakest school-level input is facilities for children with special needs. Annex Five presents these findings in greater detail. To provide a safe learning environment and stimulate cognitive and non-cognitive development, it is important for these basic inputs to be made available to children.

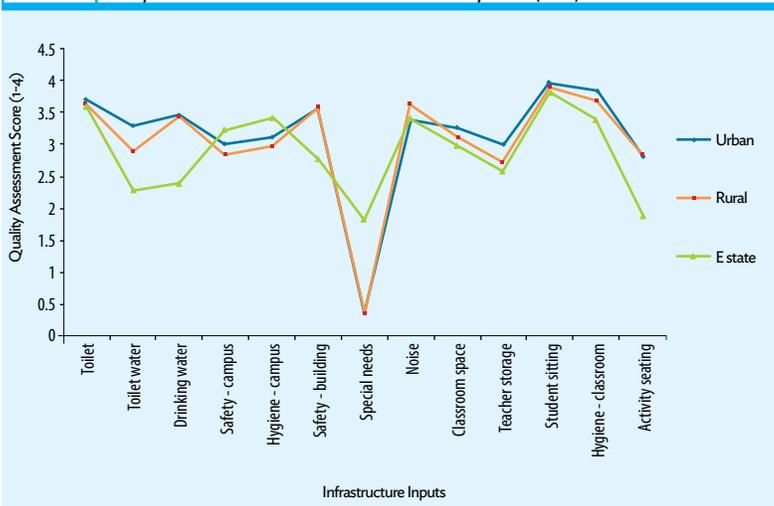
55. Many of the ECE centers surveyed have children from age 2 to age 7 in the same classroom, which may not be optimal for learning. The ECEQAS indicates that a number of centers in the sample have a broad age range in one classroom. Because the early childhood years are particularly

sensitive developmentally, it is important to ensure that children receive developmentally appropriate educational opportunities. One teacher in a class of 20 may not be able to adequately address the developmental needs of children if there is too much variation in the age range. As such, Sri Lanka will need to regulate this aspect of ECE center quality.

56. The average child-teacher ratio in Sri Lanka is high. The average child-teacher ratio of 21:1 is slightly higher than the 20:1 ratio recommended in the Guidelines for Child Development Centers (MCDWA 2006). Quality child-teacher interaction is particularly important for a young child's developmental process. The ability of the teacher to devote sufficient time and attention to each child affects the quality of learning and teaching. Experts suggest that the ideal child-teacher ratio depends on several factors including 1) the age of the child, with younger children benefitting more from smaller class size; 2) whether ECE is provided in mixed age group settings; and 3) behavioral expectations of children in a particular cultural context (Nadeau et al. 2011). Most developed countries have age specific standards for child-teacher ratios. For instance, in the United States, some states have recommended a ratio between 1:7 and 1:10 depending on the age of the child and the size of the class (NYC 2014). Although this ratio may not be feasible in Sri Lanka due to resource constraints, efforts should be made to reduce the child-teacher ratio and ensure that children receive the necessary care and education.

57. Overall, centers in the estate sector and rural areas appear to be more resource constrained than those in urban areas. As indicated in Figures 12 and 13, while the three sectors track each other quite closely on infrastructure, the estate and rural sectors are relatively deficient in terms of the classroom learning environment and materials. The estate sector is particularly disadvantaged in terms of the quality of materials and equipment available for indoor use, seating arrangements and age composition of students. It is important that seating arrangements in classrooms take into consideration age and developmental needs so that the child caregiver can provide the necessary attention to individual children while ensuring that the needs of other children are also met.

FIGURE 12: Quality of Infrastructure in ECE Classrooms in Sri Lanka by Sector (2013)



Source: Authors' estimates based on HIES 2009/10

#### 4.2.2 Teacher/Educator Quality

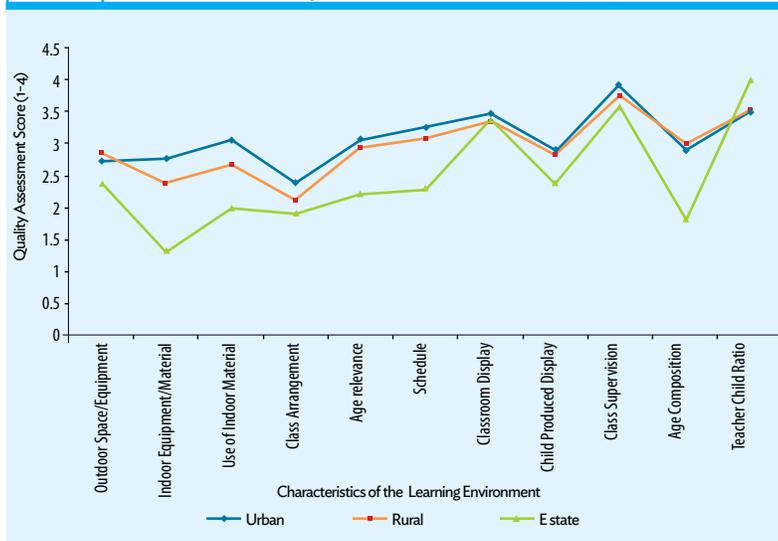
58. The quality of Sri Lanka's early childhood teaching force is inadequate. A cadre of well-qualified early childhood educators is the cornerstone of any high-quality early childhood education system. In Sri Lanka, the majority of ECE teachers are not adequately qualified. Less than half of all teachers meet the basic requirements to qualify as ECE professionals as per national guidelines. The guidelines require teachers to have A-level qualifications and at least one year of professional training in ECE (MCDWA 2006). Only around 43% of teachers have A-level qualifications and 39% meet the minimum standard of one year of professional ECE training. Moreover, there is a significant variation across provinces in the quality of teachers: over half the teachers in Sabaragamuwa are qualified both in terms of A-level qualifications and Professional ECE training while in the Northern Province, less than 30% are qualified on either count (see Figure 14).

59. Sri Lanka's system for ECE professional development also needs significant improvement. A strong ECE professional development system requires a comprehensive system for pre-service training as well as in-service development and support for all early childhood education professionals (NAEYC 2014b). At present, there are approximately 35 ECE training programs registered with the Children's Secretariat or the Tertiary Vocational Education Commission (TVEC). These include a few public universities/institutes such as the Open University, the National Institute of Education (NIE) and the Eastern University, as well as programs conducted by the MCDWA and Provincial Councils. However there is no national body or authority in charge of regulating ECE pre-service training and professional development in the country. Sri Lanka will need to establish a system for pre-service and in-service training of its early childhood educators.

#### 4.2.3 The Early Childhood Education Curriculum

60. Sri Lanka has not yet adopted a curriculum framework or established early learning standards. Some countries use a common curriculum to ensure that quality is maintained in ECE. Others have chosen to establish an open-curricular framework approach to balance the need for a flexible curriculum (which can be adapted to varying development patterns in children) while maintaining quality in the system. Box 7 presents common features of an

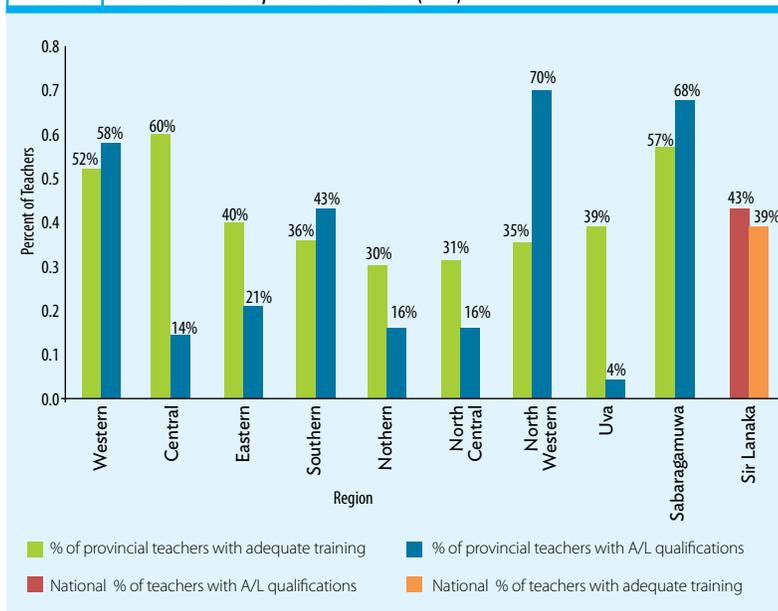
FIGURE 13: Characteristics of the Learning Environment in Sri Lankan Preschools (2013)



Source: Authors' estimates based on HIES 2009/10

open curricula framework approach. Although Sri Lanka's Guidelines for Child Development Centers contain some of the features of an open framework approach, they do not provide clear pedagogical guidelines for developmentally-appropriate practice. The establishment of learning standards is another important component of the open curricula framework approach. It is important for Sri Lanka to establish early childhood learning standards for children at each stage of early childhood, i.e. learning standards for 3 year olds, 4 year old and 5 year olds.

FIGURE 14: Teacher Qualification by Province in Sri Lanka (2012)



Source: MoE 2012

## BOX 7: Features of Open Framework Approach to Curricula

UNESCO has identified the following features of an Open Framework Approach to Curricula:

- A statement of principles or values that should guide early childhood centers
  - A summary of program standards that parents may expect in an early childhood center; e.g. child/staff ratios, educator qualifications, indoor and outdoor learning environments
  - An orientation concerning content and outputs,
- that is, an outline of the broad goals that centers will pursue and the attitudes, dispositions, skills and knowledge that children at different ages can be expected to attain across different development areas
- Pedagogical guidelines outlining the processes through which children achieve the outcomes proposed; they may also propose how educators should support children in their learning

Source: UNESCO (2004)

### 4.3 The Quality of Teaching, Learning Processes and Outcomes

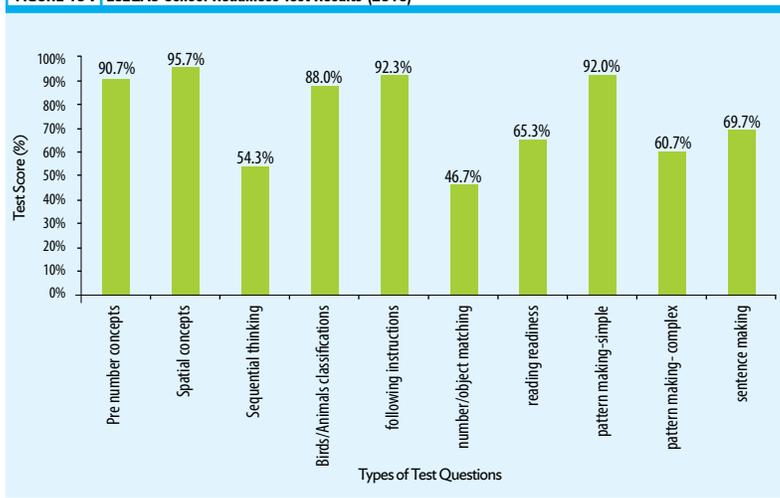
**61. ECE centers in Sri Lanka perform well on some teaching and learning processes but are less than satisfactory in developing cognitive skills and catering to students with special needs.** According to the ECEQAS, ECE centers exhibit satisfactory performance in terms of children's and teachers' activities related to the personal care, hygiene and habit formation of the children. However, the centers are relatively weak in terms of approaches to facilitating the learning of children with special needs, and activities and use of materials for the development of cognitive skills.

**62. Analytical thinking and emotional control appear to be particularly weak development areas among Sri Lankan children.** Analytical thinking can be viewed as advanced level of learning that enables individuals to perform well in complex tasks. According to the ECEQAS, the 2,500 tested children of age 5 at ECE centers performed poorly on questions that are of a complex nature (such as sequential thinking, making sentences, and making relative comparisons) compared to their performance on simpler questions (such as simple pattern making and following instructions) (see Figure 15<sup>19</sup>). The tested children also showed low scores on patience, emotional adjustment and emotional expression. Self-control, in particular, has been shown to be important for learning and for success later in life (see, for example, Heckman and Kautz 2012).

**63. Children from non-governmental and private ECE centers perform significantly worse than children from government centers.** The findings of the ECEQAS 2013 also suggest that the quality of learning outcomes is significantly better for children who attend government centers compared to the outcomes of children attending private and non-governmental centers. These differences point to a need for better regulation of the system to ensure that all schools are delivering quality early childhood education programs.

**64. Findings from multiple regression analyses point to household wealth as a key determinant of school readiness and adaptive behavior of children.** Chil-

FIGURE 15: ECEQAS School Readiness Test Results (2013)



Source: Authors' estimates based on HIES 2009/10

<sup>19</sup> By design, children are expected to get a perfect score (100%) in the ECEQAS school readiness test if they are ready for school. Their scores on questions of a complex nature are below 70%.

dren from wealthier households do better in terms of both school readiness and adaptive behavior. Greater school readiness is also observed for children with educated mothers and smaller families. The adaptive behavior of children appears to be positively influenced by the amount of time spent in the centers—there is a strong positive correlation between spending more than 4 hours a day in the center and the adaptive behavior score.<sup>20</sup> Another interesting finding is that, other things remaining equal, girls score better on the adaptive behavior scale than boys (see Annex Seven).

**65. Perceptions of HHS: Most households cite preparation for primary school as the main reason for sending their children to preschool.** They value the training the children receive in reading, writing and counting above other benefits they see from the ECD centers. Similarly, the children's learning is the second most cited area requiring improvement when parents are asked to indicate the most important aspect that needs to be improved at their children's ECD centers. There is, thus, a tendency among parents to view preschools as centers for preparing their children academically for primary school, rather than as a place for promoting the holistic development of young children. It is interesting to note that this tendency was also observed in the National Survey of Preschools conducted by the Children's Secretariat in 2002-2003 (MCDWA 2004). See Annex 9 for details on the analysis of household perceptions regarding ECE.

#### 4.4 Sri Lanka's Monitoring and Quality Assurance System for ECE

**66. Sri Lanka has established quality standards for ECE centers which could guide the development of a sound monitoring and evaluation system.** Sri Lanka's MCDWA has developed quality standards known as *Guidelines for Child Development Centers*. The guidelines set minimum standards and requirements for preschool facilities and staffing, and address various elements of quality including; a) physical infrastructure of preschools; b) minimum qualifications for ECE teachers and staff (including requirements for professional development such as in-service training); and c) teacher-child ratios in the ECE classroom. They are comprehensive enough to serve as the basis of an effective

monitoring and evaluation system. Annex Eight summarizes the key features of these guidelines.

**67. However, Sri Lanka's overall monitoring and evaluation system for ECE is weak.** The Ministry of Child Development and Women's Affairs has appointed personnel at the district and the divisional levels (District and Divisional ECCD officers) to monitor the quality of preschools, in particular, as per the national guidelines. However, there is a lack of clarity on how monitoring is to be coordinated with the Provincial authorities, who are ultimately responsible for monitoring the implementation of ECE. The system for collecting data on early childhood education services is also fairly limited. Although the National Policy has given primary responsibility for data collection, management and reporting to the District and Divisional National Coordination Committees, it is questionable whether these committees have the capacity to take on this task.

#### 4.5 The Way Forward

**68. Sri Lanka needs to improve the quality of its ECE system both in terms of inputs and processes, as well as in terms of outcomes.** It is clear that Sri Lanka's system for ECE needs improvement in several areas: the ECE infrastructure needs to be upgraded and material inputs need to be increased; a curriculum framework needs to be established along with learning standards; the quality of the teaching force needs to be significantly improved; and the quality of its monitoring and evaluation system needs to be enhanced. As weaknesses in these areas are reflected in unsatisfactory outcomes, improvements in school readiness and developmental results will require investments in improving the quality of ECE inputs and processes.

**69. In order to help ECE providers enhance the quality of their services, the government can provide support for the acquisition of teaching-learning materials.** On average, ECE centers do not have an adequate amount of appropriate teaching learning materials. The government can help the centers by either providing them with the materials or by giving them the necessary funds to procure the materials in the market. However, a sound M & E system

<sup>20</sup> According to the ECEQAS, the mean attendance rate for ECE children is around 80%.

needs to be in place to ensure proper utilization of the support provided by the government.

**70. Sri Lanka needs to adopt an ECE curriculum framework to properly guide the teaching-learning processes in ECE centers.** A curriculum framework is meant to help ECE teachers plan the activities in the centers. Regardless of whether an open curriculum framework or a common curriculum is adopted, the framework needs to focus on the holistic development of children rather than on academic learning. In addition, the framework should also take into account the entry requirements for primary school—the natural next step in a child’s development. For example, the UK framework for 0-5 year old children focuses on seven main areas: communication and language; physical development; personal, social, and emotional development; literacy; mathematics; understanding the world; and expressive arts and design (DFE 2013).

**71. At the same time, Sri Lanka also needs to establish clear standards for learning outcomes.** Learning standards for ECE summarize the expected development outcomes of the children in the key areas specified by the curriculum framework. They are essential for guiding not only classroom teaching-learning, but also teacher training, learning material development, and monitoring activities. Learning standards also provide the basis for assessing the children’s development over time.

**72. The quality of teacher inputs is another aspect of ECE provision that needs to be improved.** While there is a need to reduce the teacher-child ratios in Sri Lanka’s ECE centers, there is an even greater need to enhance the capacity of teachers both in terms of academic qualifications and ECE focused training. The evidence gathered from the survey indicates that these ECE training programs will need to 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. If a capacity development plan is prepared for the country, an ECE teacher professional development (TPD) plan could be a part of this comprehensive plan. The TPD plan would also include a plan

for preparing the necessary pool of trainers to deliver different types of training. The financing of TPD could be done through a combination of support to individuals, training providers and academic institutions offering ECE programs<sup>21</sup>, as well as through financial and technical support to ECE centers for implementing center-based teacher development<sup>22</sup>.

**73. Establishing a system for professional development in ECE could help to improve the quality of the teaching workforce.** As Sri Lanka seeks to expand access to high-quality early childhood education, the country will have to pay special attention to expanding and improving its provisions for professional development in ECE. Establishing a public agency in charge of regulating and managing pre-service and in-service ECE teacher training can help ensure the quality of ECE professional development (World Bank 2013a).

**74. In order to monitor and ensure compliance with the prescribed quality standards, there is a need to develop a robust monitoring and evaluation (M & E) system.** The development of a sound M & E system will require (a) clarity on which agencies and units are responsible for program monitoring, data collection and data entry at different administrative levels, (b) detailed guidelines for units and staff responsible for carrying out the monitoring functions, (c) the establishment of a comprehensive electronic management information system (MIS) that allows decentralized data entry to collect information on ECE centers, teachers, and children, and (d) the integration of the MIS with the M & E system and process. Furthermore, it will be necessary to systematically build the capacity of the relevant units by providing adequate human resources and training the staff to carry out the monitoring and data entry tasks. The MCDWA staff as well as Provincial Council staff working at the divisional levels must be trained to not only monitor ECE activities but also serve as resource persons who can provide constructive feedback to ECE centers.

**75. Along with building the capacity of M & E staff, it is also necessary to invest in the capacity development of the different units and agencies engaged in implementing ECE activities.** In particular, it is important to ensure that the Children’s Secretariat as

<sup>21</sup> The premiere academic institution conducting ECE related programs in Sri Lanka is the Open University of Sri Lanka (OUSL). The Department of Early Childhood and Primary Education at OUSL offers three diploma/certificate programs: Diploma in Early Childhood and Primary Education, Certificate in Pre-School Education and Advanced Certificate in Pre-School Education.

<sup>22</sup> Center based teacher development can be viewed as a variant of the School Based Teacher Development (SBTD) recently introduced in the school education sector in Sri Lanka. School-based mentoring, peer-to-peer learning, and visits to other classrooms are some of the activities included in SBTD (World Bank 2011a). As ECE centers typically have only one or two classrooms, and one or two teachers, the SBTD approach would need to be modified to account for this reality.

NAEYC has ten program standards, with specific criteria attached to each, which programs must meet in order to achieve NAEYC Accreditation. The standards address four groups of stakeholders in early childhood education: children, teachers, families and community partners, and the program administration. The areas covered by these standards for each stakeholder category are given below.

Children (these standards focus on the advancement of children’s learning and development)

- Standard 1: Relationships
- Standard 2: Curriculum
- Standard 3: Teaching
- Standard 4: Assessment of Child Progress
- Standard 5: Health

Teachers (this standard focuses on the qualifications, knowledge, and professional commitment of a program’s teaching staff)

- Standard 6: Teachers

Family and Community Partners (these standards focus on relevant partnerships the program estab-

lishes with both families and the community)

- Standard 7: Families
- Standard 8: Community Relationships

Program Administration (these standards focus on the program’s physical environment and the leadership and management provided by the program administration).

- Standard 9: Physical Environment
- Standard 10: Leadership and Management

There is a five step process for accreditation under NAEYC:

1. Initial application for eligibility: An initial assessment of whether the program meets the basic criteria for NAEYC accreditation
2. Self-study: A self-guided process of evaluation with guidance from NAEYC staff
3. Candidacy and Peer-Review: Submission of an evaluation report to a peer-review committee
4. Site Visit: A peer review process that includes a site visit by the peer-review committee
5. Accreditation response: An accreditation response report based on the program committee’s written response

Source: NAEYC (2014a) (<https://www.naeyc.org/academy/primary/standardsintro>)

well as the different coordination committees have the required human resources to properly execute the tasks assigned to them. The Children’s Secretariat, for example, is tasked with the responsibility of promoting ECCE related research, establishing a system for identifying children with special needs, and monitoring the implementation of the National Policy. It also conducts ECE teacher training and public awareness programs. The Secretariat staff need to be properly trained to undertake such activities. As an initial step in strengthening the capacity of the country in implementing ECE activities, it will be useful to develop a comprehensive capacity development plan based on a capacity needs assessment of ECE service providers, policy makers, and relevant agencies.

**76. Establishing an accreditation system is an option for countries which lack sufficient resources to**

**ensure compliance with quality standards.** Many countries do not have sufficient resources to ensure regular, high-quality monitoring and inspection of preschools. Some countries have addressed their resource constraints by setting up an accreditation system for preschools. Accreditation is “a voluntary process proposed to providers by government, agencies or professional associations in order to help them achieve higher standards in key domains of early childhood programming (OECD 2006)”. The accreditation process may also be tied to eligibility for public funding as is the case in Australia, for instance, where public funding is contingent on satisfactory participation in an accreditation process (UNESCO 2007). Box 8 provides an example of an internationally recognized accreditation framework developed by the U.S. based National Association for the Education of Young Children (NAEYC).

<sup>23</sup> Based in the United States, NAEYC is an internationally recognized non-profit association representing early childhood education teachers, para-educators, center directors, trainers, college educators, families of young children, and policy makers.



CHAPTER 5:

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Financing Early  
Childhood Education  
in Sri Lanka

77. Sustained public funding is critical for the growth and expansion of early childhood education programs in Sri Lanka. Preschool enrollment rates tend to follow patterns of regional public expenditures—the highest being in the developed world and the lowest in the developing world (Nadeau et al. 2011). If Sri Lanka is to expand access to quality preschool education, it will need to increase public investment in its early childhood education system. This chapter examines Sri Lanka’s spending on ECE in the context of international trends, presents different modalities for financing ECE, and proposes a set of policy recommendations for moving forward.

## 5.1 Public and Private Spending on ECE in Sri Lanka

78. Sri Lanka’s public investment in ECE is negligible. In 2012, the budget allocation for the entire National ECCD (ECCE) program was only around 19 million SLR (equivalent to 0.008% of the National Budget). This budget was raised slightly to approximately 30 million SLR (0.012%) in 2013. However, the estimated ECCE budget for 2014 has been reduced to 22 million SLR (0.008%) (MoF 2014). Of the 30 million SLR budgeted for ECCE in 2013, only 5.5 million SLR (equivalent to

TABLE 4: Public Expenditure on ECE in Low- and High-Middle Income Countries

Country	Expenditure on ECE as % of GDP	Expenditure on ECE as % of the Total Government Expenditure	Expenditure on ECE as a % of the Education Budget
<b>Lower Middle Income Countries</b>			
<b>Sri Lanka</b>	<b>&lt;.0001</b>	<b>&lt;.0001</b>	<b>0.0004</b>
Cameroon	0.12	..	0.31
Indonesia	0.02	0.14	0.94
India	0.04	0.12	1.11
Philippines	0.04	0.22	1.69
Cabo Verde	0.02	0.5	3.34
Bolivia	0.21	0.81	4.13
Paraguay	0.24	..	4.92
Ghana	0.26	1.29	6.05
El Salvador	0.35	1.2	7.58
Armenia	0.43	1.13	9
Georgia	0.4	0.91	9.82
Viet Nam	0.68	2.26	10.81
Guatemala	0.33	2.29	11.3
Ukraine	0.91	1.99	14.77
Yemen	0.05	0.16	..
<b>Upper Middle Income Countries</b>			
Malaysia	0.07	0.35	1.67
Dominican Republic	0.11	0.66	5.34
Ecuador	0.21	0.59	5.37
Costa Rica	0.34	..	5.39
Cuba	0.85	..	6.85
Azerbaijan	0.22	0.5	6.96
Brazil	0.39	..	7.61
Argentina	0.46	1.25	8.13
Mexico	0.52	1.98	10.2
Peru	0.34	..	12.27
Hungary	0.72	1.41	14.41
Bulgaria	0.91	2.52	22.53
Jordan	0.02	0.05	..

Source: UNESCO UIS Data for 2011/ 2012 or nearest year available; Sri Lank data from MCDWA budget and Sri Lanka Public Expenditure Review, World Bank (2014)

around 0.0004% of public expenditure in education) has been allocated to ECE. This budget does not, however, cover early childhood health and nutrition services delivered through the health sector. Nevertheless, these figures indicate that Sri Lanka's public investment in early childhood education is negligible and that there is no clear trend in the budget allocation for ECCE.

**79. The majority of ECE services in Sri Lanka is privately financed.** While data on private spending on ECE are virtually non-existent, the evidence presented in chapter three shows that the majority of ECE centers in Sri Lanka are privately financed and managed. According to MoE (2012), approximately 83% of all ECCE centers, including crèches and day-care centers, in the country are fee-levying. It can be assumed that the funding for most of these centers comes either from individual families or from non-profit entities such as religious organizations and non-governmental organizations.

2007). Currently, the budget for ECE in Sri Lanka is provided through the MCDWA, and Sri Lanka's spending on ECE is equivalent to approximately .0004% of its public education expenditure. Although primary education through tertiary education is state funded and free, Sri Lanka does not provide free pre-primary education. It is expected that preschool education will be provided by local authorities (such as municipal councils), the private sector and non-governmental organizations, and financed largely by families themselves.

**81. Sri Lanka's public spending on ECE is the lowest among middle and high income countries.** In OECD countries, for instance, average public expenditure on ECE accounts for 0.6% of GDP (OECD 2013). Among middle income countries, average public expenditure on ECE (as a percentage of GDP) is .03%. Sri Lanka spending on ECE, at less than 0.0001% of its GDP, is negligible. As shown in Table 4, Sri Lanka's public spending on ECE is the lowest among middle and high income countries.

## 5.2 Sri Lanka's ECE Investment in the Global Context

**80. Compared to most countries, Sri Lanka invests very little of its public education expenditure on ECE.** It is common for countries to allocate a certain percentage of their public education expenditure to ECE. Out of the seventy-nine countries surveyed for UNESCO's 2007 Global Monitoring Report, sixty-five spent less than 10% of their public education expenditure on ECE (UNESCO

## 5.3 Options for Financing ECE in Sri Lanka

**82. Effective ECE programs rely on a combination of public and private funds.** Public funding is funding that comes from the national government, or sub-national/local governments. Private funds, on the other hand are those that come from: a) household's direct expenditures on the education of their own children or b) donations made by independent entities such as non-profit organizations

**TABLE 5: Potential Funding Sources and Financing Mechanisms for ECCE**

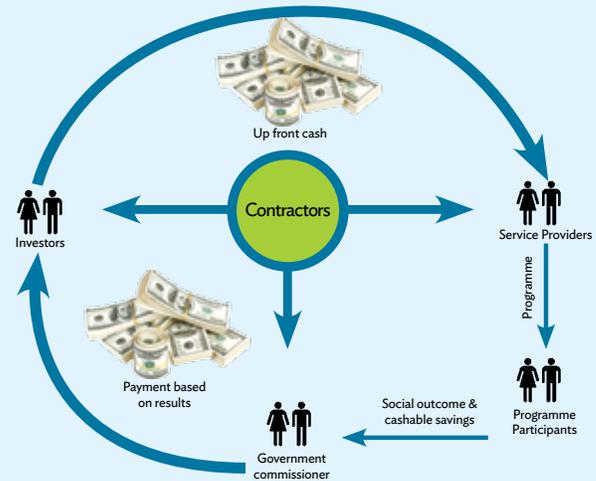
Funding Sources		Financing Mechanisms	
Public	Supranational (Multi-lateral and bi-lateral donor organizations) National State/local	Direct	<ul style="list-style-type: none"> <li>Block Grants</li> <li>Earmarked against specific revenues</li> <li>Matching funds from public/private agencies</li> <li>Vouchers to providers or families</li> <li>Direct subsidy of capital facilities; curriculum development; or quality assurance systems</li> </ul>
		Indirect	<ul style="list-style-type: none"> <li>Sliding scale subsidies to parents</li> <li>Top-up fee eligibility</li> <li>Tax Credits</li> </ul>
Private	Families Community groups Churches/ Religious Organizations/ Employers	Direct	Payments to Providers
		Indirect	<ul style="list-style-type: none"> <li>Lower wages</li> <li>Donations to religious/ non-governmental organizations</li> <li>Time</li> </ul>

Source: Adapted from Belfield (2006)

## BOX 9: Social Impact Bonds: An Innovative Funding Option for ECE Programs in the US

A social impact bond (SIB) is an investment made by private investors that expect financial returns based on the outcomes of a particular social program. This novel and innovative method of results based funding is being experimented to finance an early childhood education program in Salt Lake City, United States. Goldman Sachs, an investment banking firm, and a private investor have joined together to provide a loan of USD 7 million to United Way of Salt Lake. The loan is meant to help United Way deliver a curriculum that targets school readiness and academic performance among 3 and 4 year old children through the Utah High Quality Preschool Program. The total number of children sponsored by this program will be about 3500, and they will be admitted in 5 groups. Supervision of daily operations and the management of repayments to the investors will be done by the United Way of Salt Lake.

However, if the intended results—achieving school readiness, diminished achievement gap, increase in high school graduation rates, and decrease in the need for special education—are not achieved, then United Way is not obligated to repay the loan. Repayment will occur if the program is successful, and the repayment value will be based on the financial savings to the district. Success of students will be measured through the Peabody Picture Vocabulary Test which indicates the possible need for special



education and remedial services in the future. For each student who does not require these services, the school district saves USD 2600 or the value of the annual payment for special education and remedial services that is allocated for each child. The repayment of the loan that is termed 'pay-for-success' will be 95 percent of the costs saved by the district along with a base interest rate of 5 percent, and these repayments will occur from Kindergarten till grade six. Following the debt repayment, the investors will be paid success fees for the program equivalent to 40 percent of the savings. The diagram below illustrates the function of social impact bonds.

Source: <https://www.gov.uk/social-impact-bonds>

or corporations (Belfield 2006). Global trends indicate that where ECCE is free, it may be overused, but without public funding, ECE is often unsustainable and highly inequitable.

**83. Table 5 provides an example of public and private funding sources and financing mechanisms for ECE.** Block grants are one mechanism which high-level governments can use either to provide ECE services directly or give funds to local governments to manage their ECE activities. These block grants may also be used by higher levels of government to leverage local resources for ECE (by mandating that a local government contribute matching grants) (Belfield 2006). Local governments can in turn raise revenue for ECE through community contributions.

Earmarking of funds for ECE is another high level financing mechanism- a National government earmarks a percentage of government revenue for ECE. While this approach may guarantee a steady stream of funding independent of political will, it may also inhibit costing and financing based on the programmatic needs in a country (because financing cannot be negotiated based on program needs). One innovative financing mechanism that has been utilized in the US is a "Social Impact Bond" presented in Box 8.

**84. Public funding is particularly important to address equity issues and should be deployed strategically to address the needs of disadvantaged populations.** Some financing mechanisms are more equitable than others. Generally ECE markets dom-

inated by the private sector are more effective albeit less equitable than those publicly financed. However, public and private funding are interdependent and in many countries public funding is only available to low income households or deprived areas (Belfied 2006; Scrivner and Wolfe 2003). The government can also dedicate public funding to regulatory activities (including curriculum development, teacher quality standards etc.), which can help ensure quality across providers. It may also need to regulate or subsidize costs to ensure access for low-income families.

**85. The government may also implement policies that indirectly influence private ECE investment.** A government may choose to target its funding to ensure equitable access through its financing policies. For example, it can prescribe income eligibility criteria for public ECE programs, which would be one way of indirectly influencing private investment in ECE. Another option would be co-payment for parents, where the contribution from parents could be determined on a sliding scale as a proportion of the costs of the program or in absolute terms. Tax incentives for encouraging corporate social responsibility programs to set up ECE centers may be another means for governments to leverage private sector support for ECE (Belfield 2006).

**86. While there is no exact formula to determine the optimal balance between public and private funding, a country should determine the relative weight of each based on three factors: simplicity, reliability and equity (Nadeau et al. 2011).** Direct public funding may allow for more effective public management of ECE services and a higher degree of equity in access. However public investment in strong monitoring and quality assurance mechanisms can also ensure a high degree of effectiveness when accommodating private providers (Nadeau et al. 2011). Ultimately, it is important to determine the national principles that will guide ECE financing options. These may include: 1) reliability of funding streams; 2) enforceability of regulations and standards; and 3) administrative simplicity (Nadeau et al. 2011). However these are determined, effective ECE programming will require a transparent budgeting process and evidence-based decision making on the allocation of ECE resources (World Bank 2013a). Both of these constitute important policy gaps that Sri Lanka must address to develop an effective policy framework. Box 9 presents examples of effective private and public financing models in France, Korea, Mexico and Vietnam.

## 5.4 The Way forward

**87. Sri Lanka will need to increase its public investment in early childhood education.** Expanding access to and improving the quality of ECE in Sri Lanka will require sustained public funding. One option may be to expand its public education expenditure to include investment in early childhood education. As mentioned in Chapter One, overall public expenditure on education in Sri Lanka is low, compared to the region and to other lower-middle-income countries. The average public expenditure on education as a percentage of GDP was approximately 1.75% in 2013 (World Bank 2014). As Figure 1 indicates, this is the smallest share of public investment in education among countries that share similar development characteristics with Sri Lanka (World Bank, 2011). There is clearly scope for Sri Lanka to increase its investment in education to bring it in line with other middle income countries. Sri Lanka could potentially learn from Korea (Box 9), which too relies heavily on private financing for the provision of ECE while at the same time devoting a substantially higher percentage of its GDP to this sector.

**88. Sri Lanka will need to deploy its public funding in two ways: improving quality across the sector and enhancing access to ECE among low-income households and the rural population.** Investments in quality enhancements can focus on support for the acquisition of teaching-learning materials as well as support for a professional development system, including investment in the training of trainers and building the capacity of teacher training institutes. As discussed in Chapter Three, poverty-targeted scholarships are one strategy that can be used to promote ECE participation among the poorer population. The provision of performance grants to ECE centers is another approach to increasing the participation of children from poor families in preschool.

**89. While ECE programs currently depend primarily on private financing, it will be useful for Sri Lanka to explore different sources of public and private funds, and alternative allocation mechanisms.** Public funds for ECE can be generated through different types of direct and indirect taxes at different levels of government, fees, lotteries, and from donor agencies (Nadeau et al. 2011). For example, allocating a certain percentage of excise taxes collected on alcohol and tobacco to ECE can provide a steady

## BOX 10: Public Financing Models in France, Korea, Mexico and Viet Nam

### France

In France, the National Government takes primary responsibility for the instructional component of ECE, namely teachers. Infrastructure, facilities, and other supporting services are the responsibility of local authorities. Coverage is extensive; with universal access for 3-5 year old. Funding is for 6 hours per day. As of 2009, public ECE expenditures amounted to 0.68% of GDP, a proportion considerably above most OECD countries (UNESCO UIS Database). Tax subsidies are also available to encourage private providers.

### Korea

In Korea, the central government has encouraged an independent private market where ECE is mostly provided by private institutions and parents are expected to fund the full cost. This market is high quality, based on the education credentials of the teachers. The available public funding from the Ministry of Education has been targeted at providing kindergartens in rural areas. As of 2010, public ECE expenditures amounted to 0.11% of GDP. With increasing public support and social awareness of the importance of ECE, the gross pre-primary enrollment rate rose from 32% in 2003 to 89.5% for ages 3-5 in 2011 (UNESCO UIS Database).

### Mexico

ECE in Mexico is considered part of mandatory basic education for ages 3-5, leading to primary school. Financing for ECE in Mexico is shared across public agencies – including different gov-

ernment ministries – and private entities. The funds for preschool education come mainly from the national budget but are also supplemented by other agencies, the states, municipalities, as well as parental contributions. The federal government provides resources to state governments and the state and local governments share in the funding of the programs. There are some fees associated with public preschool provision. As of 2010, public ECCE expenditures were 0.53% of GDP (UNESCO UIS Statistics). The net enrollment rate for preschool was 81.4 in 2011 (UNESCO UIS Database).

### Vietnam

In Vietnam, ECCE is primarily funded by the family, with increasing state support. There are state-run childcare services (for children aged 0-3), kindergartens and parent education programs but many of these programs are only partly subsidized by the state. Government funding for ECCE is mandated to be 10% of the national budget for education, but most provinces have not been able to reach this threshold given budget constraints. Public funding for ECE constitutes approximately .68% of GDP as of 2010. There is also a strong community-run system of day-care and kindergarten at the community level. NGOs play an important role in building the capacity for ECCE and in the Training of ECCE teachers. As of 2012, preschool NER was approximately 73.51 (UNESCO UIS Statistics).

Source: Belfield (2006); GER and public expenditure as percentage of GDP per capita is from the UNESCO UIS database.

stream of funds for medium to long term ECE programming. Similarly, the sources of private funds can include household contributions (e.g., tuition fees), individual donations, and investments/donations from businesses and foundations. ECE is an area private businesses could be encouraged to support as part of their corporate social responsibilities (CSR)<sup>24</sup>. Given that the delivery of ECE services takes place mostly through privately (including NGO) man-

aged centers, the government can take a judiciously targeted approach to funds allocation that enhances equitable access and service quality. For example, on the demand side, it can promote equitable access to ECE by financing scholarships to poor students. On the supply side, it can provide performance grants and matching grants to both public and private ECE providers on a competitive basis to enhance equitable access and quality<sup>25</sup>.

<sup>24</sup> Private businesses might find ECE to be an attractive area for investing their CSR funds for a number of reasons. In the short run, since these investments will have broad community support, they can help businesses to earn the goodwill of the community and increase their visibility. In the medium to long run, these investments will contribute to the production of essential high quality human capital needed for the growth of businesses and the economy as a whole. These investments in ECE might also help more women enter the work force.

<sup>25</sup> The grants can be based on the centers' performance on a number of indicators that reflect both equity and quality.



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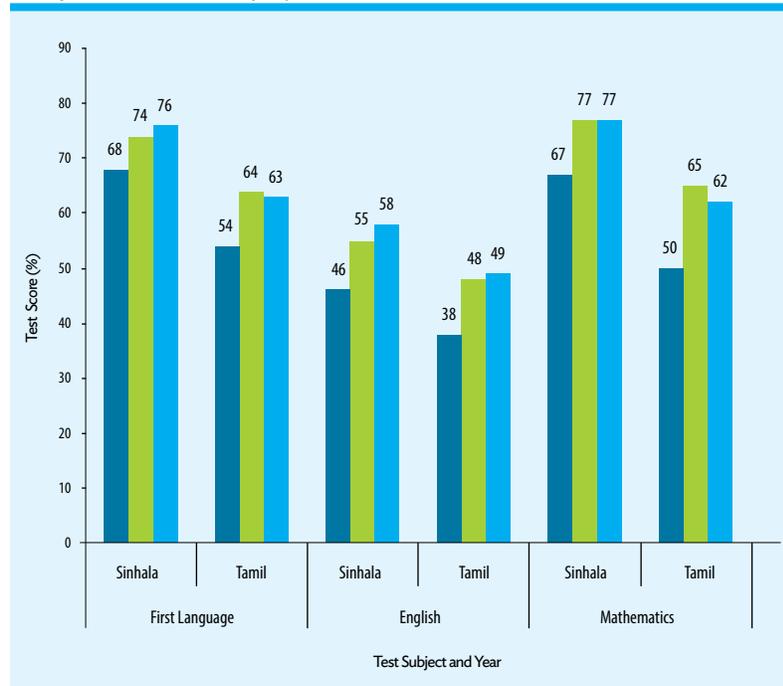
## Annexes

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## ANNEX ONE

# National Grade Four Assessment Results in Sri Lanka

NEREC grade-4 assessment scores by subject and medium of instruction, Sri Lanka (2003-2009)

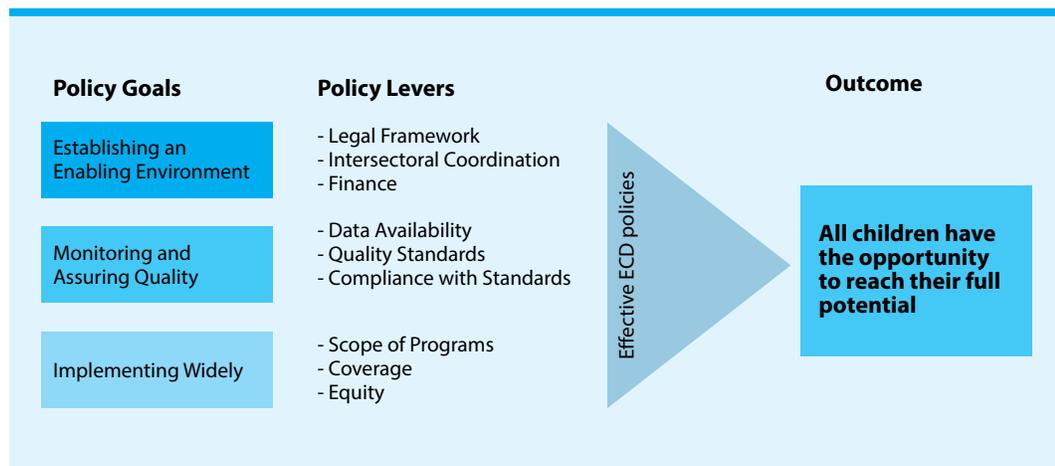


Source: : Authors' estimates based on HIES 2009/10

## ANNEX TWO

# SABER-ECD Framework and Results for Sri Lanka

## SABER-ECD Framework



Source: Adapted from World Bank (2013a)

## SABER-ECD Policy Goals and Level of Development

ECD Policy Goal	Level of Development			
	Latent	Emerging	Established	Advanced
<b>Establishing and Enabling Environment</b>	Non-existent legal framework; ad-hoc financing; high inequality in access and outcomes.	Coverage expanding but gaps remain; programs established in a few sectors; inequality in access and outcomes.	Regulations in some sectors; established programs in most sectors; low inequality in access.	Developed legal framework; robust inter-institutional coordination; sustained financing.
<b>Implementing Widely</b>	Low coverage; pilot programs in some sectors; high inequality in access and outcomes.	Coverage expanding but gaps remain; programs established in a few sectors; inequality in access and outcomes.	Near-universal coverage in some sectors; established programs in most sectors; system in place to regularly monitor compliance.	Information on outcomes from national to individual levels; standards exist for all sectors; system in place to regularly monitor and enforce compliance.
<b>Monitoring and Assuring Quality</b>	Minimal Survey data available; limited standards for provision of ECD services; no enforcement.	Information on outcomes at national level; standards for services exist in some sectors; no system to monitor compliance.	Information on outcomes at national, regional and local levels; standards for services exist for most sectors; system in place to regularly monitor compliance.	Informational on outcomes from national to individual levels; standards exist for all sectors; system in place to regularly monitor and enforce compliance.

Source: World Bank (2013a)

POLICY GOAL 1: ESTABLISHING AN ENABLING ENVIRONMENT						
POLICY LEVER 1.1: LEGAL FRAMEWORK			Scoring			
Indicator	Sub-indicator	Latent 1	Emerging 2	Established 3	Advanced 4	
PG1 Score: 2.4 Emerging						
PL 1.1 Score: 2.7 Established						
3.5	a. Do national laws and regulations promote healthcare for pregnant women? ii) Are standard health screenings provided for HIV and STDs for pregnant women?	No	Only one free service (either antenatal or skilled delivery)	Both free antenatal visits and skilled delivery	Yes and there are standard follow-up procedures and referrals to services	
3.5	b. Do national laws and regulations promote healthcare young children? ii) Are young children required to receive a complete course of childhood immunizations? iii) Are young children required to have well-child visits?	No	—	Yes	Yes, and on a regular basis <sup>27</sup>	
3	c. Do national laws and regulations promote appropriate dietary consumption by pregnant women young children? ii) Does a national policy to encourage salt iodization exist (or has it ever existed)? iii) Does a national policy to promote the fortification of cereals/staples with iron exist (or has it ever existed)?	No	Few provisions law <sup>28</sup> or some provisions voluntary	Many provisions law or law		
2.5	d. To what extent do policies protect pregnant women and new mothers, and promote opportunities for parents/caregivers to provide care to newborns and infants in their first year of life? i) Are parents/caregivers guaranteed paid parental leave following child birth? ii) Are women guaranteed job protection and non-discrimination, breastfeeding breaks and breastfeeding facilities in accordance with the ILO Maternity Protection Convention?	No	Voluntary	Mandatory		
1	e. Does the education law mandate the provision of free preprimary education before primary school entry? i) Is there a policy mandating the registration of children at birth? ii) Does the government promote the reduction of family violence? <sup>29</sup>	Less than 3 months with no pay	3 months with at least 50% pay	6 months with at least 50% pay	1 year with at least 50% pay	
2.3	f. To what extent have child protection policies and services been established? iii) Does the national judicial system provide the following specific protection interventions to young children: provision of training for judges, lawyers, law enforcement officers, and establishment of specialized courts and child advocacy body?	No	Some guidelines are followed	All guidelines are followed		
		No	Less than one school year	1 to 2 school years	More than 2 school years	
		No	1 service	2-3 services	All services	
		No services provided	1 to 2 select services provided	3 to 4 select services provided	All services provided	

<sup>26</sup> Sri Lanka's performance on each sub-indicator is indicated by the corresponding green cell.

<sup>27</sup> Recommendations from high-performing countries: Inform well-child visits at the following intervals of age: 1 month, 2 months, 4 months, 6 months, 9 months, 12 months, 18 months and then each year thereafter.

<sup>28</sup> i) Many provisions law or legislation encompassing all or nearly all provisions of the International Code and the clarifications and additions from subsequent resolutions, ii) Few provisions law or some provisions voluntary, adoption of a voluntary code or health policy encompassing all or nearly all provisions of the International Code with no enforcement mechanisms; adoption of only a few provisions of the International Code as law.

<sup>29</sup> Services include: Violence prevention through home visits, Training provision for ECCE teachers, Training provision for health workers, Child abuse tracking and reporting activities, Taskforce for domestic violence prevention

3	g. To what extent have social protection policies and services been established?	i) Is there a policy to provide orphans and vulnerable children with a range of ECD services ii) Are there laws in place to protect the rights of children with disabilities and promote their participation and access to ECD services, including healthcare and ECCE?	No policy No laws	Policy exists and services provided within one sector Legal right to services within one sector	Policy exists and services provided in 2 to 3 sectors Legal right to services in 2 to 3 sectors	Policy exists and services provided in the Education, Health, Nutrition, and Child/Social Protection sectors Legal right to services in the Education, Health, Nutrition, and Child/Social Protection sectors
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POLICY LEVEL 1.2: INTER-SECTORAL COORDINATION						
PL 1.2 Score: 2.25 Emerging	Indicator	Sub-Indicator	Latent	Emerging	Established	Advanced
3	a. Does the government have an explicitly-stated multi-sectoral ECD strategy?		No multi-sectoral ECD strategy OR recognition of the importance of a multi-sectoral approach to ECD exists but a multi-sectoral ECD strategy has not been endorsed	ECD strategy endorsed by at least 3 relevant sectors	ECD strategy endorsed by 3-4 sectors and includes an implementation plan	ECD strategy including 3-4 sectors and an implementation plan that is costed.
3	b. Has an institutional anchor been established to coordinate ECD across sectors?		No	Yes	Yes and staff officially appointed	
1	c. To what extent are interventions coordinated at the point of service delivery to ensure that children receive integrated services?	i) Are there any regular coordination meetings between the different implementing actors at the sub-national level? ii) Is there any integrated service delivery manual/guideline (i.e. any sort of common plan of action)?	No	Infrequent coordination meetings	Regular coordination meetings attended by all actors	
2	d. Is there a mechanism for collaboration between state and non-state stakeholders?		There are no coordination mechanisms	There are consultation meetings involving non-state stakeholders	There are strong coordination mechanisms <sup>30</sup>	

<sup>30</sup> Such as special task force, regular consultation meetings, and/or national coordinating committee that include non-state stakeholders)

POLICY LEVER 1.3: FINANCE						
PL 1.3 Score:	Indicator	Sub-Indicator	Latent	Emerging	Established	Advanced
<b>2.1</b> <i>Emerging</i>	<b>a. Is there a transparent budget process?</b>	i) To what extent does the budget use explicit criteria at the national or sub-national level to decide ECD spending (i.e. number of students or teaching positions, student characteristics, such as gender, socio-economic status or special needs, geographical location, ability to raise revenue at the sub-national level, performance of school, attendance, or historical precedent)?	No Criteria	Criteria are used in one sector	Criteria are used in 2 to 3 sectors	Criteria are used in all sectors
<b>1.7</b>		ii) To what extent is determining the budget a coordinated effort across ministries?	No coordination mechanisms	Joint budget planning sessions that include 1 to 2 sectors	Joint budget planning sessions that include 3 sectors	Established budget planning committees that include all essential sectors
		iii) Can the government accurately report public ECD expenditures?	No	Expenditure on ECD are reported in 1 sector	Expenditure on ECD are reported in 2 sectors	Expenditure on ECD are reported in 3 or more sectors.
<b>2</b>	<b>b. Is the level of ECD finance adequate to meet the needs of the population?</b>	i) What percentage of the annual education budget is allocated towards preprimary education?	Less than 1%	1% to 5%	5% to 9%	10 or more%
<b>2</b>		ii) What percentage of routine EPI vaccines is financed by government?	Less than 25%	26% to 59%	60% to 89%	90% and above
	<b>2</b>	<b>c. Is the burden of finance equitably distributed across various segments of society?</b>	10 or more types of fees	8 to 9 types of fees	4 to 7 types of fees	0 to 3 types of fees
40% or more			25% to 39%	15% to 24%	Less than 15%	
<b>2.5</b>	<b>d. What is the level of remuneration for ECD service personnel?</b>	i) Is the remuneration for preprimary teachers entering the field competitive?	Less than 50% of primary teacher salary	50-74% of primary teacher salary	75% but less than 100% of primary teacher salary	Parity in pay with primary teachers
		ii) Are community-based childcare center professionals paid by the government?	No		Yes	
		iii) Are extension health service professionals paid by the government?	No		Yes	

POLICY GOAL 2: IMPLEMENTING WIDELY						
POLICY LEVER 2.1: SCOPE OF PROGRAMS						
	Sub-Indicator	Indicator	Latent	Emerging	Established	Advanced
PG 2 Score: 3.4 Advanced						
PL 2.1 Score: 3.5 Advanced						
4		a. Do essential health programs exist in the country to target all beneficiary groups? (Prenatal care; parent education on child health and development; expanded program of immunization; growth monitoring and promotion programs; mosquito bed net distribution programs <sup>31</sup> )?	0-1 health intervention	2-3 health intervention	4 essential health interventions	All essential health interventions exist and all are included in an integrated menu of services
4		b. Do essential nutrition programs exist in the country to target all beneficiary groups? (breastfeeding promotion; micronutrient support/food supplementation for pregnant women; complementary feeding for children; feeding in preprimary schools; healthy eating and exercise programs)	0-1 nutrition intervention	2-3 nutrition interventions	4 essential nutrition interventions	All essential nutrition interventions and all are included in an integrated menu of services
2		c. Do essential education programs exist in the country to target all beneficiary groups? (home visiting to provide parenting messages; early stimulation/care for children below 3; preprimary education for children below 6; teacher training programs)	0-1 education intervention	2-3 education interventions	4 essential education interventions	All essential education interventions and all are included in an integrated menu of services
4		d. Do essential child and social protection programs exist in the country to target all beneficiary groups? (Positive parenting education/domestic abuse prevention; programs for OVCs, interventions targeted at children affected by HIV/AIDS; anti-poverty (CCT) programs; child welfare system)	0-1 protection intervention	2-3 protection interventions	4 essential protection interventions	All essential protection interventions exist

POLICY LEVER 2.2: COVERAGE						
	Sub-Indicator	Indicator	Latent	Emerging	Established	Advanced
PL 2.2 Score: 3.1 Established						
3		a. What is the level of access to essential ECD health interventions for pregnant women?	Less than 50%	51% to 70%	71% to 89%	90% and above
3.3		b. What is the level of access to essential ECD health interventions for young children?	Less than 50%	51% to 70%	71% to 90%	91% and above
		i) What percentage of pregnant women benefits from at least four antenatal visits?	Less than 30%	31% to 50%	51% to 79%	80% and above
		ii) What percentage of HIV+ pregnant women and HIV-exposed infants receive ARVs for PMTCT?	Less than 21%	22% to 40%	41% to 84%	85% and above
		iii) What percentage of children under five years of age with diarrhea receive oral rehydration and continued feeding?	Less than <50%	51% to 70%	71% to 90%	91% and above
		iv) What percentage of 1-year-old children is immunized against DPT? (corresponding vaccines: DPT3B)	Less than 25%	26% to 50%	51% to 90%	91% and above
		v) What percentage of children below five years of age with suspected pneumonia receives antibiotics?	Less than 15%	16% to 50%	51% to 84%	85% and above
		vi) What percentage of children less than five years of age (in at-risk areas) sleeps under an ITN?				

<sup>31</sup> If malaria is not prevalent in country, disregard bed net program and score as is. If malaria is health issue in country, to earn score of Established, country must have 5 essential health interventions (Emerging: 2-4 interventions)

3.3	c. What is the level of access to essential ECD nutrition interventions for young children and pregnant women?	i) What is the Vitamin A supplementation coverage rate for children 6-59 months of age?	Less than 40%	41% to 70%	71% to 90%	91% and above
		ii) What percentage of children is exclusively breastfed below the age of six months?	Less than 20%	21% to 40%	41% to 49%	50% and above
		iii) What percentage of the population consumes iodized salt?	Less than 25%	26% to 50%	51% to 89%	90% and above
		iv) What percentage of pregnant women have anemia?	40% and above	10% to 39%	5% to 9%	0% to 4%
2	d. What is the gross enrollment rate in primary education?		Less than 35%	35% to 59%	60% to 80%	81% and above
4	a. What is birth registration rate? (children below 5 years)		Less than 36%	37% to 71%	72% to 90%	91% and above

POLICY LEVEL 2.3: EQUITY						
PL 2.3 Score: 3-5	Indicator	Sub-Indicator	Latent	Emerging	Established	Advanced
-	a. Is there equity in access to ECCE services at the sub-national level?	i) What is the ratio of primary enrollment at the sub-national level for the regions with the highest and lowest enrollment?	Greater than 1.6	Greater than 1.1, but less than or equal to 1.6	Equal to or less than 1.1	1
3	b. Is there equity in access to ECCE services by gender?	i) Is there equitable access to primary school for boys and girls?	Greater than 1.5	Greater than 1.1, but less than or equal to 1.5	Equal to or less than 1.1	1
3	c. Are ECCE services provided in a way that accommodates children's special needs and promotes access for all children?	i) Is there an inclusive education policy to cater to the needs of special needs children within regular ECCE services? ii) Is curriculum or teaching materials translated into major language groups?	No	No	Yes	Yes, policy exists and at least 81% of special needs children have access to ECCE <sup>32</sup>
4	d. Is there equitable access to ECD services between socio-economic levels	i) What is the ratio of birth registration comparing richest to poorest? ii) What is the ratio of skilled attendants at birth comparing richest to poorest? iii) What is the underweight prevalence in children comparing richest to poorest?	Greater than 3	Greater than 1.6, but less than 3	Greater than 1.1, but less than 1.5	1
4	e. Is there equitable access to ECD services in rural and urban areas?	i) What is the ratio of birth registration for urban regions to rural regions? ii) What is the ratio of urban to rural access to improved sanitation facilities?	Greater than 1.6	Greater than 1.1, but less than or equal to 1.6	Equal to or less than 1.1	1
			Greater than 2 or less than 0.7	Greater than 1.4 but less than 1.9 or 0.8	Greater than 1.1 but less than 1.3	1

<sup>32</sup> To receive an advanced score, data must be available for Q. 51 to adequate coverage for special needs kids.

<b>POLICY GOAL 3: MONITORING AND ASSURING QUALITY</b>						
<b>POLICY LEVER 3.1: DATA AVAILABILITY</b>						
	<b>Indicator</b>	<b>Sub-Indicator</b>	<b>Latent</b>	<b>Emerging</b>	<b>Established</b>	<b>Advanced</b>
<b>PG 3</b> <b>Score:</b> <b>1.8</b> <i>Emerging</i>						
<b>PL 3.1</b> <b>Score:</b> <b>2.5</b> <i>Emerging</i>	a. Are relevant administrative and survey data collected on access to ECD?	i) To what extent are administrative data collected on access to ECD (i.e. number of young children in child welfare system; number of children who benefit from special needs who have access to ECD services; number of children who benefit from well-child visits; number of children benefitting from Vitamin A supplementation; number of women benefitting from prenatal nutrition interventions; number of children enrolled in preprimary school by sub-national region, by mother tongue language, or by rural and urban; average number of students per teacher; and level of financial commitment to ECD in any sector)? ii) To what extent are survey data collected on access to ECD and outcomes (i.e. percentage of children who consume iodized salt; level of Vitamin A supplementation among ECD aged children; prevalence of anemia amongst ECD aged children and pregnant women; percentage of children with birth registration; percentage of 1-year-old children immunized against DPT; percentage of pregnant mothers who receive four prenatal visits; and percentage of children who benefit from early learning activities by socio-economic status)?	2 or fewer indicators are collected and available	3 to 4 indicators are collected and available	5 to 6 indicators are collected and available	7 or more indicators are collected and available
<b>4</b>	b. Are data available to differentiate ECCE access and outcomes for special groups (gender, mother tongue, rural / urban, socio-economic status, special needs)?		No	Data differentiate access and outcomes for 1 to 2 special groups	Data differentiate access and outcomes for 3 to 4 special groups	Data differentiate access and outcomes for 5 or more special groups
<b>3</b>	c. Are data collected to measure child development (cognitive, linguistic, physical, and socio-emotional)?		No	Data are collected for only 1 development domain	Data are collected for 2 to 3 development domain	Data are collected for all 4 development domain
<b>1</b>	d. Are individual children's development outcomes tracked?		No			Yes

POLICY LEVER 3.2: QUALITY STANDARDS						
PL 3.2 Score: 2.0 Emerging	Indicator	Sub-Indicator	Latent	Emerging	Established	Advanced
2.3	a. Are clear learning standards established for ECCE?	i) Do standards for what students should know and learn exist? ii) Is there one or more preprimary curricula that have been approved or are available for teachers to use? iii) Is the preprimary curriculum coherent and continuous with the curriculum for primary education?	No No No		Yes Yes Yes	Yes and is evidence-based
1.5	b. What are the requirements for ECCE professionals and are opportunities for professional development available?	i) What are the entry requirements to become a preprimary teacher? ii) Is there regular in-service training for ECCE professionals to develop pedagogical and teaching skills? iii) Is there a public authority in charge of regulating pre-service training for ECCE professionals? iv) Is some form of pre-service practicum or fieldwork required?	Primary school completion or less / no requirements No No No	Completion of high school	Completion of high school with vocational training in ECD Yes, every two years Yes Yes	Formal tertiary training with specialization in ECD Yes and is mandatory every two years or more frequent
2	c. Are health workers <sup>33</sup> required to receive training in delivering ECD messages (developmental milestones, childcare, parenting, early stimulation, etc.)?		No	One type of health worker	2-3 types of health worker	All types of health workers receive training
1.3	d. Are there established infrastructure and service delivery standards for ECCE facilities?	i) What is the required child-to-teacher ratio? ii) What is the required minimum number of hours of primary education per week? iii) Do infrastructure standards exist?	No standard No standard No	More than 15:1 Less than 15 hours Yes	15:1 15 hours or more Yes and includes all elements of infrastructure standards <sup>34</sup>	Less than 15:1 Yes and includes all elements of infrastructure standards and access to potable water and functional hygienic facilities
1	e. Are there established registration and accreditation procedures for both state and non-state ECCE facilities?		No		Yes	Yes and includes mechanisms to reward quality improvement
4	f. Are there rigorous registration procedures for health facilities?	i) Do construction standards exist for all health facilities?	No	For hospitals only	For hospitals and health centers	For hospitals, health centers and health posts

<sup>33</sup> Types of health workers to consider for this indicator: Doctors/Nurses; Extension health service workers; Midwives; Psychologists

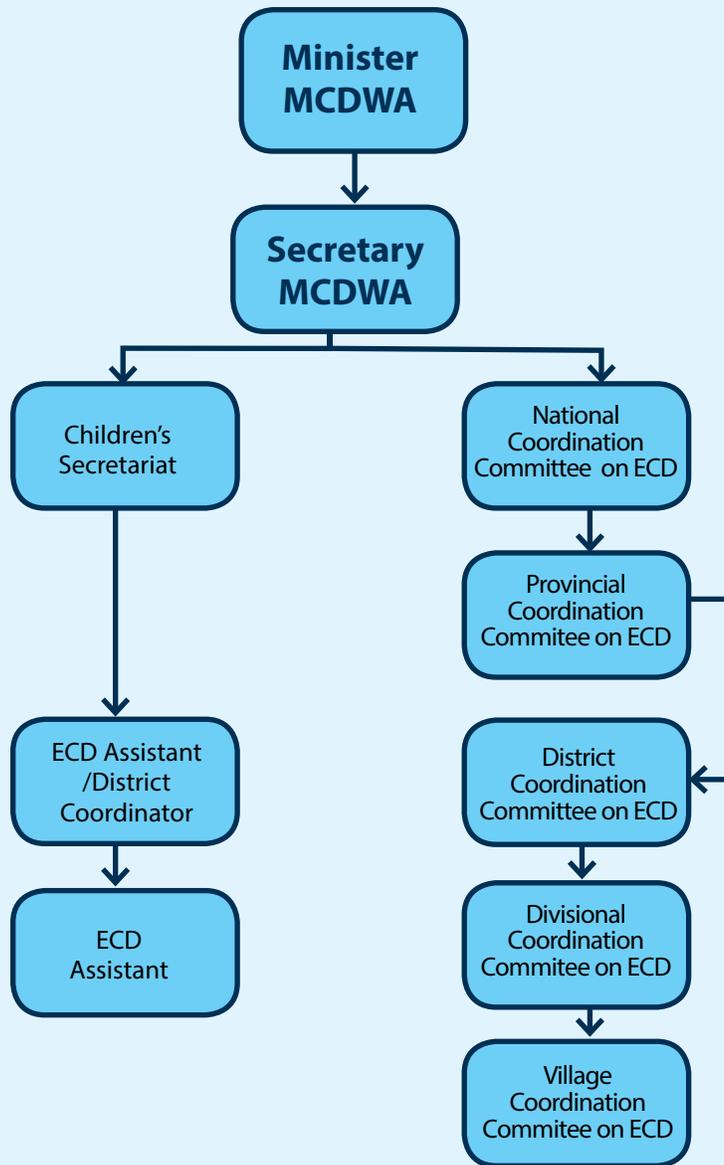
<sup>34</sup> Elements of infrastructure standards for ECCE centers include: roof, floor, structural soundness, windows, building materials, connection to electricity.

POLICY LEVER 3.3: COMPLIANCE WITH STANDARDS						
PL 3.3 Score: 1	Indicator	Sub-Indicator	Latent	Emerging	Established	Advanced
1	a. Do ECCE professionals comply with established pre-service training standards/professional qualifications?		No compliance or unknown	Less than 50% of teachers comply	Between 51% and 85% compliance	Over 85% compliance
1	b. Are state ECCE facilities required to comply with established service delivery and infrastructure standards and registration and accreditation procedures?	i) Do average child-to-teacher ratios comply with established standard?	No compliance or unknown	Compliance with established standard of more than 15:1 ratio	Compliance with established standard of 15:1 ratio	Compliance with established standard of less than 15:1 ratio
		ii) Do preprimary schools comply with the established minimum number of opening hours of preprimary education per week?	No compliance or unknown	Compliance with established standard of less than 15 hours	Compliance with established standard of 15 hours or more	
		iii) What percentage of preprimary facilities comply with infrastructure standards?	Less than 60%	Between 61% to 75%	Between 76% to 90%	91% and above
1	c. Are non-state ECCE facilities required to comply with established service delivery and infrastructure standards and registration and accreditation procedures?	i) Do average child-to-teacher ratios comply with established standard?	No compliance or unknown	Compliance with established standard of more than 15:1 ratio	Compliance with established standard of 15:1	Compliance with established standard of less than 15:1
		ii) Do preprimary schools comply with the established minimum number of opening hours of preprimary education per week?	No compliance or unknown	Compliance with established standard of less than 15 hours	Compliance with established standard of 15 hours or more	
		iii) What percentage of preprimary facilities comply with infrastructure standards?	Less than 60%	Between 61% to 75%	Between 76% to 90%	91% and above

Source: Authors(2014)

## Operational Structure of the MCDWA and the MOE

### 3.1 MCDWA Administrative Structure for ECCE



Source: Authors (2014)

### 3.2 Ministry of Education (MoE) Operational Structure and Activities

Level	Activity	Responsibility
<b>National</b>	Curriculum planning and development work	NIE
	Writing of teachers' guides	NIE
	Development of assessment instruments and strategies	NIE
	Writing and printing of pupil textbooks and workbooks	NIE, EPD
	Training of ISAs	NIE, MEHE
	Distribution of teachers' guides	NIE
	Implementation of the curriculum	IU, MEHE
	Distribution of textbooks	EPD
	Preparation of guidelines for upgrading and construction for physical infrastructure	SWD, MEHE
	Monitoring the progress of implementation	IU, PTF, NIE
	Allocation of funds	MEHE, MFP, FC, ERD
	Provision of adequate cadre at all grades	MEHE
<b>Provincial</b>	Training of teachers	PED
	Allocation of funds-budgets	PM, PED
	Planning the implementation of reforms	PED
<b>Zonal</b>	Monitoring the progress of implementation	PM, PED
	Provision of resources (human and material)	PED, DO
	Allocation of resources	ZED
	Salary of teachers	ZED
	Implementation of plants at provincial level	ZED, PED, DO
	Zonal level planning	ZED
<b>Divisional/ School</b>	Monitoring and supervision	DO
	Preparation of timetables	School -Principal
	Preparation of lesson plans	School –Sectional Head, Class teacher
	Implementation of the curriculum	School Class Teacher
	Monitoring and supervision	School –Principal, Sectional Head, Divisional/ Zonal Officers
	Upgrading and construction of physical infrastructure	PM, MEHE, Parents
	Professional support and guidance	Divisional Officers, ISAs, Principals, Sectional Heads
	Maintenance and repair	Principals, Parents

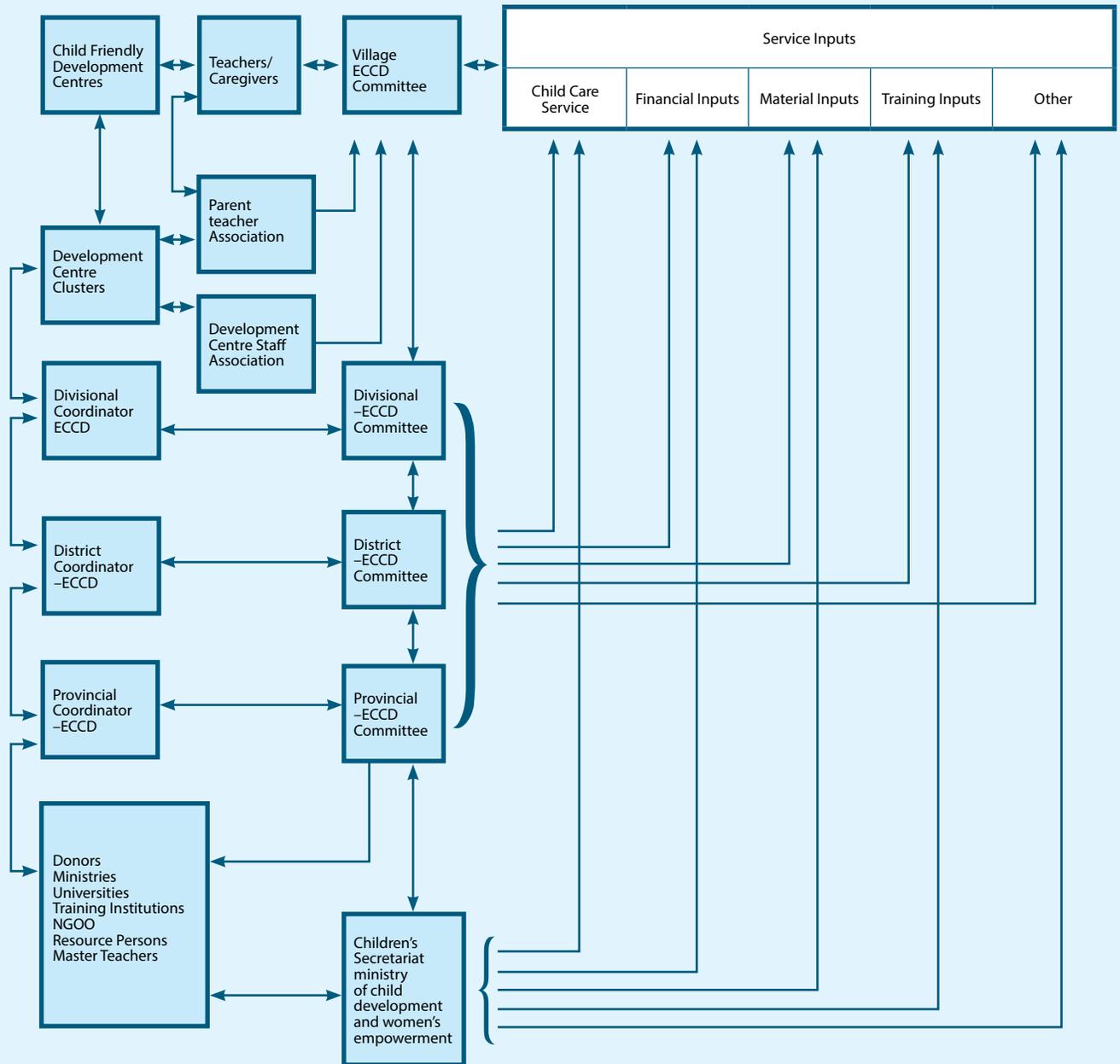
Source: Little (2012)

#### Key:

DO	Divisional Office	MFP	Ministry of Finance and planning
EPD	Educational Publications Department	PED	Provincial Education Department
ERD	External Resources Department	PM	Provincial Ministry
FC	Finance Commission	PTF	Presidential Task Force
IU	Implementation Unit	SWD	School Works Department
MEHE	Ministry of Education and Higher Education	ZED	Zonal Education Department

### 3.3 MCDWA Operational Structure for ECE

#### Child Friendly Development Centres- Operational Structure



Source: MCDWA (2006)

## Correlates of Preschool Enrollment in Sri Lanka

Explanatory variables		Age 3	Age 4	Age 5	
				All	Excluding 1st graders
		(1)	(2)	(3)	(4)
Location	Sector - Rural	-0.04 (0.05)	-0.09 (0.06)	0.09* (0.06)	0.01 (0.05)
	Sector - Estate	-0.17*** (0.07)	-0.36* (0.09)	0.15* (0.09)	-0.06 (0.06)
Child characteristics	Female	-0.05 (0.04)	0.03 (0.04)	-0.04 (0.03)	-0.07** (0.03)
	Months of age	0.01* (0.00)	0.01 (0.00)	-0.01*** (0.00)	0.00 (0.00)
	Ethnicity - Tamil	0.20*** (0.05)	0.26*** (0.08)	-0.07 (0.06)	-0.01 (0.06)
	Ethnicity - Moors	0.00 (0.06)	-0.08 (0.06)	-0.09* (0.06)	-0.08 (0.06)
	Ethnicity - other	0.04 (0.22)	(dropped)	0.11 (0.20)	(dropped)
Household characteristics	Hhld per capita expenditures - Quintile 2	-0.01 (0.07)	0.12* (0.06)	-0.01 (0.05)	0.05 (0.05)
	Hhld per capita expenditures - Quintile 3	0.09 (0.06)	0.23*** (0.06)	-0.01 (0.05)	0.02 (0.05)
	Hhld per capita expenditures - Quintile 4	0.04 (0.07)	0.23*** (0.06)	0.04 (0.06)	0.06 (0.06)
	Hhld per capita expenditures - Quintile 5 (highest)	0.16** (0.07)	0.25*** (0.06)	0.06 (0.06)	0.10 (0.06)
	Hhld size	-0.02* (0.01)	-0.03*** (0.01)	0.01 (0.01)	0.00 (0.01)
	Hhld head - Age	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)	-0.00 (0.00)
	Hhld head - Female	-0.00 (0.05)	-0.08* (0.04)	-0.07* (0.04)	-0.01 (0.04)
	Hhld head - Less than grade 5	0.02 (0.05)	-0.04 (0.04)	0.03 (0.04)	0.06 (0.04)
	Constant	-0.51 (0.33)	0.44 (0.44)	0.61 (0.38)	0.58 (0.72)
	Pseudo R2	0.043	0.083	0.022	0.038
	Number of observations	923	956	1,410	624

Note: Dependent variable: 1 = enrolled in preschool; 0 = not enrolled in preschool. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Marginal effects at the mean from probit estimations, and standard errors in parentheses. Corrections for clustering.

Source: Authors' estimates based on HEIS data 2009/2010

## ANNEX FIVE

# Sufficiency of School Inputs in Sri Lankan ECE Centers

### Sufficiency of School Inputs in Sri Lankan ECE Centers

Share of ECE centers with adequate blackboards	56%
Share of ECE centers with adequate toys	32%
Share of ECE centers with adequate scrap materials for activities	66%
Share of ECE centers with protected drinking water (pipe-borne, tube well, protected well)	75%
Share of ECE centers with first-aid boxes	81%
Share of teachers that have A-level qualification	51%
Share of teachers with at least 3-6 months of training	68%
Average child-teacher ratio	21:1

Source: National Survey on ECD of 2010

## ECEQAS Quality Survey Instrument

## Measuring the Sufficiency and Quality of Inputs and Processes

A. Quality of inputs - Infrastructure				
Inputs/ Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Toilet	i. Toilet is not available or is not used by any child	0		
	ii. Toilet is available and used by some children but more than half use open spaces	1		
	iii. Toilet is available and all or more than half of the children use the toilet and not open spaces	2		
	iv. Any other, please specify	88		
Toilet water	i. Toilet has no water available	0		
	ii. Toilet has water for washing but not flushing	1		
	iii. Toilet has water for washing and flushing	2		
	iv. Any other, please specify	88		
Drinking water	i. Drinking water is not available.	0		
	ii. Drinking water is available but not covered or clean.	1		
	iii. Drinking water is available and is covered and clean.	2		
	iv. Any other, specify	88		
Safety - campus	Circle the specific hazardous conditions that exist and write the code. 1. Motor Vehicle traffic 2. Open Well 3. Pond 4. Large Animals tied or roaming 5. Open sewer holes or drain. 6. Dangerous electrical equipment. 7. Roaming dogs. 8. Any other hazard which could cause injury or death.(Write detail)			
	i. There is one or more of these hazards within 10 metres of the building or play area and without a protective barrier	0		
	ii. There is more than one or more of these hazards beyond 10 meters of the building or play area and without a protective barrier.	1		
	iii. There are no hazards or there is a protective barrier such as good wall and lockable gate between the children and the hazards.	2		
	iv. Any other, please specify	88		
Hygiene - campus	Circle the specific conditions that exist around the centre /preschool and then write the code. 1. Open defecation or urinating area 2. Stagnant water or damp ground providing breeding places for flies and mosquitoes. 3. Garbage dump 4. Open drain 5. Any other unclean condition ( Write detail)			
	i. There is one or more of these unclean conditions within 10 metres of the building/centre and without a protective barrier	0		
	ii. There is one or more of these unclean conditions beyond 10 metres of the building or play area and without a protective barrier.	1		
	iii. There are no unclean conditions or there is a protective barrier such as a good wall and lockable gate between the children and these unclean conditions	2		
	iv. Any other, please specify	88		

Inputs/ Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Safety - building	Circle the specific conditions that exist and then write the code. 1. Broken or uneven floors. 2. Leaking roof. 3. Falling roof material 4. Broken or severely cracked surface in the wall plaster.. 5. Broken windows or doors, handles etc 6. Inadequate lighting. 7. Inadequate ventilation so that children are uncomfortable or there is smoke in the classroom. 8. Door which cannot be closed or latched. 9. Kitchen activities happen in the classroom. 10. Any other condition ( write detail)			
	ι. Three or more of the conditions exist.	0		
	ιι. Two of the conditions exist.	1		
	ιιι. None or one of the conditions exists.	2		
	ιιιι. Any other, please specify :	88		
Special needs	Circle the specific conditions that exist and then circle the code. 11. Ramp 12. Supporting rails along the walls 13. Special seating arrangement whoever needs it 14. Wheel chair 15. Toilets for disabled 16. Appropriate books and stationery such as Braille books, learning materials 17. Appropriate play equipments 18. None of the above facilities available			
	ι. None of the above facilities available	0		
	ιι. Two of the facilities exist	1		
	ιιι. Three or more of the facilities exist	2		
	ιιιι. Any other, specify	88		
Noise	ι. More than two thirds of the time the sound from outside sources prevents hearing of conversation in the centre.	0		
	ιι. One to two thirds of the time the sound from outside prevents hearing of conversation.	1		
	ιιι. There is no disturbance from outside sources which prevents hearing of conversation or does so for less than one third of the time.	2		
	ιιιι. Any other, please specify	88		
Classroom space	i. Classroom space is not enough for all children attending to even sit comfortably in one room and no space for activities.	0		
	ii. Classroom space is enough for all children attending to sit comfortable in one room, but is not adequate for children attending to move around or for teacher to conduct activities.	1		
	iii. Classroom space is enough for all children attending to sit comfortably and also for moving about and for teacher to conduct activities.	2		
	iv. Any other, please specify	88		
Teacher storage	ι. No storage is available for teacher to keep her records, registers and /or teaching learning materials, including play materials.	0		
	ιι. Some storage (cupboard, box, rack) is available for the teacher but it is inadequate.	1		
	ιιι. Storage available is adequate for the teacher.	2		
	ιιιι. Any other, please specify	88		

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Student sitting	i. Children are sitting on a bare floor with no covering.	0		
	ii. Children are sitting on a mat but it is torn or unclean. 1	1		
	iii. Children are sitting on chairs or a clean mat.	2		
	iv. Any other, specify -	88		
Hygiene - classroom	i. Classroom is not clean, is littered.	0		
	ii. Classroom is clean with unclean sitting arrangement	1		
	iii. Classroom is clean with clean sitting arrangement	2		
	iv. Any other, please specify	88		
Activity seating	i. No arrangement of classroom according to activities	0		
	ii. Whole class arranged	1		
	iii. Mix /flexible arrangement	2		
	iv. Any other, please specify :	88		

### B. Quality of Inputs – Learning materials and classroom arrangements

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Outdoor	i. No space and or equipment/material is available at the Centre for outdoor play /activities.	0		
	ii. Outdoor space is available but no/very limited equipment is available for conducting outdoor play /activities involving all attending children	1		
	iii. Outdoor space is available and equipment/material is enough for all including children with special needs or more than half of the children attending to be able to use it during a day.	2		
	iv. Any other, please specify	88		
Indoor access	i. No indoor play/learning materials are available	0		
	ii. Only some manipulative materials are available which children can use themselves or only some audio visual materials are available which teacher can use for teacher led activities.	1		
	iii. Manipulative and audio –visual materials are available in the class.	2		
	iv. Any other, please specify	88		
Indoor use	i. No indoor play/learning materials were seen being used with children in the class	0		
	ii. Indoor play/learning materials were seen being used with children but only with half or fewer number of children attending the class.	1		
	iii. Indoor play/learning materials were seen being used by more than half of the children attending the class.	2		
	iv. Any other, please specify	88		
Class arrangement	i. Classroom does not appear to be specially arranged in any way for conducting activities with children.	0		
	ii. Classroom is arranged with materials but not in any evident way for facilitating activities	1		
	iii. Classroom has been arranged with specific activity corners or areas for different kinds of activities such as blocks' corner, dolls' corner etc	2		
	iv. Any other, Please specify	88		
Age relevance	i. Teacher conducts activities without taking age into account	0		
	ii. Teacher conducts activities by taking age into account sometimes	1		
	iii. Attention to age is always given when activities are conducted	2		
	iv. Any other, please specify	88		

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Schedule	i. Teacher does not have nor appears to follow any pre-planned schedule and routine care (eating, sleeping, toileting) take up most of the day.	0		
	ii. Teacher has displays as planned schedule but is not observed to be using it.	1		
	iii. Teacher is conducting the programme, to a large extent, according to a planned schedule	2		
	iv. Any other, please specify	88		
Display	i. There is no display in the classroom and if there is, it is of materials which is not meant for children or which they cannot understand.	0		
	ii. Children can understand the display but it is placed too high on the wall and not easily visible to the children	1		
	iii. Display is interesting for and easily understood by children and is also placed at their eye level so that they can see easily	2		
	iv. Any other, please specify:	88		
Child produced display	i. There is no display of children's work in the class.	0		
	ii. The display of children's work is more than a month old.	1		
	iii. The children's work display is changed every month	2		
	iv. Any other, please specify	88		

### C. Quality of Inputs – Learning materials and classroom arrangements

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Outdoor	v. No space and or equipment/material is available at the Centre for outdoor play /activities.	0		
	vi. Outdoor space is available but no/very limited equipment is available for conducting outdoor play /activities involving all attending children	1		
	vii. Outdoor space is available and equipment/material is enough for all including children with special needs or more than half of the children attending to be able to use it during a day.	2		
	viii. Any other, please specify	88		
Indoor access	v. No indoor play/learning materials are available	0		
	vi. Only some manipulative materials are available which children can use themselves or only some audio visual materials are available which teacher can use for teacher led activities.	1		
	vii. Manipulative and audio –visual materials are available in the class.	2		
	viii. Any other, please specify	88		
Indoor use	v. No indoor play/learning materials were seen being used with children in the class	0		
	vi. Indoor play/learning materials were seen being used with children but only with half or fewer number of children attending the class.	1		
	vii. Indoor play/learning materials were seen being used by more than half of the children attending the class.	2		
	viii. Any other, please specify	88		
Class arrangement	v. Classroom does not appear to be specially arranged in any way for conducting activities with children.	0		
	vi. Classroom is arranged with materials but not in any evident way for facilitating activities	1		
	vii. Classroom has been arranged with specific activity corners or areas for different kinds of activities such as blocks' corner, dolls' corner etc	2		
	viii. Any other, Please specify	88		

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Age relevance	v. Teacher conducts activities without taking age into account	0		
	vi. Teacher conducts activities by taking age into account sometimes	1		
	vii. Attention to age is always given when activities are conducted	2		
	viii. Any other, please specify	88		
Schedule	v. Teacher does not have nor appears to follow any pre-planned schedule and routine care (eating, sleeping, toileting) take up most of the day.	0		
	vi. Teacher has displays as planned schedule but is not observed to be using it.	1		
	vii. Teacher is conducting the programme, to a large extent, according to a planned schedule	2		
	viii. Any other, please specify	88		
Display	v. There is no display in the classroom and if there is, it is of materials which is not meant for children or which they cannot understand.	0		
	vi. Children can understand the display but it is placed too high on the wall and not easily visible to the children	1		
	vii. Display is interesting for and easily understood by children and is also placed at their eye level so that they can see easily	2		
	viii. Any other, please specify:	88		
Child produced display	v. There is no display of children's work in the class.	0		
	vi. The display of children's work is more than a month old.	1		
	vii. The children's work display is changed every month	2		
	viii. Any other, please specify	88		

#### D. Quality of Inputs - Classroom Composition

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Class supervision	i. Older child supervising	0		
	ii. Helper or community member supervising	1		
	iii. Teacher supervising	2		
	iv. Any other, please specify	88		
Age composition	i. Children between 2/3 and 6/7 of age are sitting together	0		
	ii. Children between 3 and 6 years of age are sitting together	1		
	iii. Children between 3 and 6 years are sitting age-wise	2		
	iv. Any other, please specify	88		
Teacher/ child ratio	i. One teacher for more than 40 students	0		
	ii. One teacher for 25-40 students	1		
	iii. One teacher for less than 25	2		
	iv. Any other, please specify	88		

E. Quality of Teaching and Learning Processes - Personal Care				
Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Hand washing	i. Children do not wash hands after toileting or before meals.	0		
	ii. Children wash hands for one of these activities.	1		
	iii. Children wash hands both after toileting and before eating food.	2		
	iv. Hand washing facility is not available	99		
	v. Any other, please specify	88		
Grooming	i. Teacher does not pay any attention to children's grooming (hair combed, nails cut, clothes in order,...)	0		
	ii. Teacher does not pay attention on a routine basis but gives attention to only the worst cases.	1		
	iii. Teacher routinely checks grooming of all children.	2		
	iv. Any other, please specify	88		
Toileting	i. Less than one third of the children above age 3 years can do toileting without assistance.	0		
	ii. About half of the children above 3 years can do toileting without assistance.	1		
	iii. More than half of the children above 3 years can do toileting without assistance.	2		
	iv. Toilet facility is not available	99		
Meal time	i. At meal time children are strictly not allowed to talk.	0		
	ii. At meal time children are encouraged to talk with each other.	1		
	iii. At meal time teacher sits with children who interact with her freely.	2		
	iv. No time for meals in the daily routine / children come only during meal distribution time to take back food / teacher neither encouraged nor restricted children to talk	99		
	v. Any other, please specify	88		
Eating	i. Less than one third of the children above age 3 years can complete most of meal on their own.	0		
	ii. About half of the children above age 3 years are able to feed themselves and complete most of the meal on their own.	1		
	iii. More than half of the children above age 3 years are able to feed themselves and complete most of the meal on their own.	2		
	iv. Food is not provided or children don't bring food or eating time in the schedule of the day is not present.	99		
	v. Any other, specify	88		

F. Quality of Teaching and Learning processes – Language and Reasoning				
Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Receptor language	i. Less than one third of the children seem to understand the language used by the teacher	0		
	ii. About half of the children seem to understand the language used by the teacher.	1		
	iii. More than half of the children seem to understand the language used by the teacher	2		
	iv. Any other, specify	88		
Listening	i. Children have no opportunities to listen to language through a planned activity, other than the teacher's instructions	0		
	ii. Children have opportunities to listen to language through at least one planned activity in a day such as storytelling, rhyme or a listening game.	1		
	iii. Children have opportunities to listen to more than one planned activity for listening to language in a day such as storytelling, rhyme or a listening game.	2		
	iv. Any other, specify:	88		

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Expressing language	i. Children have few or no opportunities to speak in class.	0		
	ii. Children get opportunity to speak but only through using single words/short sentences in answer to teacher's questions.	1		
	iii. Children talk freely and comfortably with their peers and teacher but do not disturb the class.	2		
	iv. Any other, specify	88		
Teacher language use	i. Teacher uses language mainly to control and discipline children's behaviour or to give instructions	0		
	ii. Teacher sometimes talks with children but mainly asks questions requiring children to give 'yes/no' or short answer questions.	1		
	iii. Teacher uses language to help extend children's thinking through conversation with children and exchange of information and experiences. Children are asked more of 'why, how and what if' kinds of questions that require longer and more complex answers.	2		
	iv. Any other, specify _____	88		
Language activities	i. No specific activities are conducted for developing skills of listening and speaking in children, like storytelling, free conversation, language/ vocabulary games	0		
	ii. Activities are conducted or materials used for development of language skills but these involve only a few children in the class.	1		
	iii. Activities and materials are used in ways that involve all children in the class and give them opportunity to listen and speak	2		
	iv. Children can't understand the language	99		
	v. Any other, specify	88		
Classroom interaction	i. Children are not allowed to talk with their peers or with the teacher during class, other than as part of an activity or when teacher asks a question.	0		
	ii. Children are allowed to talk but not encouraged to talk with peers or with the teacher on their own, other than during an activity or when teacher asks a question.	1		
	iii. Children talk freely and comfortably with their peers and teacher but do not disturb the class	2		
	iv. Any other, specify:	88		
Concept formation	i. No activities and or materials are used to encourage formation of concepts like size, shape, colour etc.	0		
	ii. Activities and materials are used but mainly for demonstration or used by a few children and not for all children	1		
	iii. Activities and materials are used in ways that involve all children including children with special needs in the class and give them opportunity to handle or manipulate the materials and learn through doing	2		
	iv. Any other, specify:	88		
Cognitive skills	i. No activities and materials are used with children for helping them develop their cognitive skills like classification, seriation, reasoning, pattern making, sequencing etc.	0		
	ii. Activities and materials are used but mainly for demonstration or use by a few children and not for all.	1		
	iii. Activities and materials are used in ways that ensure all children including children with special needs in the class are participating and which gives them opportunity to handle or manipulate the materials and learn through doing.	2		
	iv. Any other, specify	88		
Read, write, number - learn	i. No activities are conducted or materials used for helping children above 4 years to develop readiness for reading, writing and number such as phonetics, sound visual association, odd man out, pre number concepts, picture book reading etc.	0		
	ii. Activities are conducted or materials used for helping children above 4 years develop readiness for reading, writing and number by involving only a few children.	1		
	iii. Activities are conducted or materials used for helping children including children with special needs above 4 years develop readiness for reading, writing and number by involving all children in the class	2		
	iv. Any other, specify	88		

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Read, write, number - teach	i. Teacher teaches reading, writing and/or number work using formal, rote memorizing methods like repeating from the blackboard, chart or textbook to all children	0		
	ii. Teacher teaches reading , writing and /or number work to all children with the help of activities using alphabet cards, number cards, objects etc	1		
	iii. Teacher does not teach reading, writing or number work formally at all or teach through activities to only children above 5 years of age who are ready for it.	2		
	iv. Any other, specify	88		

### G. Quality of Teaching and Learning Processes – Motor Development

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Outdoor gross motor	i. Teacher does not conduct any outdoor play activities with children	0		
	ii. Teacher conducts outdoor activities during the day but only half or less than half of the children participate.	1		
	iii. Teacher conducts outdoor activities in ways that ensure most/all children participate.	2		
	iv. No outdoor space is available.	99		
	v. Any other, please specify:	88		
Gross motor activities	i. Teacher does not conduct any activities for gross motor development like jumping, running, hopping etc outside or inside the classroom.	0		
	ii. Teacher conducts at least two kinds of activities, eg hopping and jumping, but only less than half of the children participate.	1		
	iii. Teacher conducts at least two kinds of activities but ensures most/all children participate.	2		
	iv. Any other, specify :	88		
Free, guided activities	i. Teacher provides opportunity for free outdoor play but does not supervise.	0		
	ii. Teacher provides a mix of free and guided play with free play unsupervised.	1		
	iii. Teacher provides a mix of free and guided play, both under supervision	2		
	iv. No opportunities for free and guided activities	99		
	v. Any other please ,specify:	88		
Fine motor activities	i. Teacher does not conduct any activities with children for development of fine motor skills e.g. threading, tracing, cutting, block building, drawing etc.	0		
	ii. Teacher conducts at least one or two activities for fine motor development but only half or less than half the children participate.	1		
	iii. Teacher conducts activities for fine motor development in a way that most or all children join.	2		
	iv. Any other, specify:	88		
Teacher interaction	i. Teacher does not provide any opportunity to children for any free play activities with materials like beads, straws, pebbles, blocks, puzzles, dolls, crayons etc.	0		
	ii. Teacher provides opportunity for free play but without any supervision or interaction.	1		
	iii. Teacher provides opportunity for free play with materials to children and also supervises and interacts with them while they play	2		
	iv. Any other, please specify	88		
Special needs	i. Children with special needs sit at one corner and watch others play.	0		
	ii. No activity is planned for them by the teacher but they play on their own.	1		
	iii. Children with special needs are included in different games wherever possible and given opportunities to participate in the activities as much as possible	2		
	iv. Any other, please specify	88		
Girls boys interaction	i. Girls and boys play separate games	0		
	ii. Few girls and boys play together	1		
	iii. Girls and boys play together	2		
	iv. Any other, please specify	88		

## H. Quality of Teaching and Learning Processes – Creative Activities

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Creative - Learn	i. Teacher does not conduct any arts/crafts activities throughout the day with children.	0		
	ii. Teacher does conduct one or two arts/crafts activities during the day but only half or less than half of the children participate.	1		
	iii. Teacher does conduct one or two arts/crafts activities with children and most or all children participate/get the opportunity.	2		
	iv. Any other, specify	88		
Creative - Teach	i. Teacher directs children to do/draw exactly as she has drawn/made.	0		
	ii. Teacher allows children to draw/do the activity in whatever way they choose to, without interaction or guidance.	1		
	iii. Teacher encourages children to draw /do the activity as they choose, but encourages and appreciates their effort.	2		
	iv. Any other, specify:	88		
Music	i. Teacher provides no opportunity to children to sing songs or rhymes.	0		
	ii. Teacher provides opportunity to children to recite rhymes/songs, but monotonously without expressions or actions.	1		
	iii. Teacher provides opportunity to children to recite rhymes/songs, and guides their expressions and actions alongside	2		
	iv. Any other, please specify:	88		
Singing	i. Children do not get any opportunity to sing.	0		
	ii. Teacher does provide the opportunity but only to half or less than half of the children.	1		
	iii. Teacher does provide the opportunity and ensures most/all children participate	2		
	iv. Any other please specify:	88		
Musical movement	i. Children do not have any opportunity for activities involving music with movement	0		
	ii. Only half or less than half of the children get the opportunity to participate.	1		
	iii. Most or all the children get the opportunity to participate in such activity	2		
	iv. Any other, please specify:	88		
Recitation	i. Children do not get any opportunity for recitation of rhymes or songs.	0		
	ii. Children get opportunity to recite /sing in a group/whole class.	1		
	iii. Children get opportunity to recite/sing both in a group and individually.	2		
	iv. Any other, please specify:	88		
Performance	i. Less than one third of the children join the recitation or singing	0		
	ii. All/Most children join the recitation or singing but less than half of the children sing with expression or action.	1		
	iii. All/most children join the recitation or singing and sing with expression and actions	2		
	iv. Any other, specify :	88		

## I. Quality of Teaching and Learning Processes – Social Development

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Response to stranger	i. Display anxiety by crying or emotional distress	0		
	ii. Don't display anxiety but are shy	1		
	iii. Confidently responding	2		
	iv. Any other, please specify	88		
Teacher greeting	i. Teacher does not greet and /or say goodbye to children at the time of arrival and leaving.	0		
	ii. Teacher greets and /or says good bye to some children but not to all at the time of arrival and leaving.	1		
	iii. Teacher ensures she greets/says good bye to every child at the time of arrival and leaving	2		
	iv. Any other, specify:	88		
Children greeting	i. Less than one third of the children individually greet or say good bye to the teacher at the time of arrival and /or departure	0		
	ii. At least half the number of children individually greet or say good bye to the teacher at the time of arrival and /or departure	1		
	iii. Most /all children individually greet or say good bye to the teacher at the time of arrival and /or departure.	2		
	iv. Any other, please specify:	88		
Cooperation	i. Teacher organizes activities in such a way that there is no opportunity for children to learn to share or help each other	0		
	ii. Unplanned opportunities do come up for children to share and help each other but teacher does not consciously make use of them.	1		
	iii. Teacher plans the activities in ways that would encourage sharing and helping and actively promotes it among the children.	2		
	iv. Any other, please specify:	88		
Free play	i. Teacher does not provide any time for free play during the day.	0		
	ii. Teacher provides for less than one third of the time for free play.	1		
	iii. Teacher provides for at least one third of the time for free play and sets up the classroom with materials to facilitate the play.	2		
	iv. Any other, specify:	88		
Social interaction	i. Social interaction among the children and with teacher is not encouraged during free play and other activities.	0		
	ii. Social interaction is permitted but not encouraged during free play and /or other activities	1		
	iii. Teacher not only permits but encourages social interaction during free play and /or other activities	2		
	iv. Any other, please specify :	88		
Interaction quality	i. Most of the time the teacher instructs the children and limits their participation	0		
	ii. Most of the time the teacher carries out activities but allows very little interaction / participation	1		
	iii. Most of the time the teacher carries out activities allowing interaction/participation.	2		
	iv. Any other, specify:	88		

## J. Quality of Teaching and Learning Processes – Teacher’s Disposition

Inputs/Processes	Quality Status	Score	Day 1 Score	Day 2 Score
Gender sensitivity	i. Nature and the way activities are conducted, quality of worksheets, nature of interactions with children indicates gender bias on more than three occasions	0		
	ii. Nature and the way activities are conducted; quality of worksheets, nature of interactions with children indicates gender bias on one occasion.	1		
	iii. Nature and the way activities are conducted, quality of worksheets, nature of interactions with children indicates no gender bias	2		
	iv. No interaction between teacher and children was observed	99		
	v. Any other, specify:	88		
Special needs sensitivity	i. Teacher is indifferent and/or unaware about the needs of children with special needs.	0		
	ii. Teacher showed one instance of sensitivity or awareness about the needs of children with special needs.	1		
	iii. Teacher showed more than one instance of sensitivity or awareness regarding the needs of children with special needs.	2		
	iv. No interaction between teacher and children was observed	99		
Disadvantaged groups sensitivity	i. Nature and the way activities are conducted; quality of worksheets; and nature of interactions with children indicates teacher’s bias against them or indifference towards their needs on more than three occasions	0		
	ii. Nature and the way activities are conducted; quality of worksheets; and nature of interactions with children indicates her bias or indifference towards their needs on one occasion.	1		
	iii. Nature and the way activities are conducted; quality of worksheets; and nature of interactions with children indicates her sensitivity and awareness regarding their needs.	2		
	iv. Any other, please specify	88		

## ANNEX SEVEN

### Correlates of School Readiness and Adaptive Behavior

Explanatory variables		School readiness (1)	Adaptive behavior (2)
Location	Sector - Rural	-0.67** (0.31)	-0.19 (0.21)
	Sector - Estate	3.29*** (0.91)	1.24* (0.62)
Center type	Center management - Private	0.08 (0.31)	-0.54** (0.21)
	Center management - NGO	-2.04*** (0.64)	-3.31*** (0.44)
Child characteristics	Female	0.07 (0.28)	0.73*** (0.19)
	Age 5	1.73*** (0.47)	0.78** (0.32)
	Ethnicity - Tamil	-0.37 (0.46)	-0.45 (0.32)
	Ethnicity - Moors	-0.40 (0.75)	0.43 (0.52)
	Ethnicity - Other	(dropped)	(dropped)
	Number of days attending in last 3 months	0.04*** (0.01)	-0.00 (0.01)
	Attending more than 4 hours per day	-1.01 (0.84)	3.95*** (0.58)
Household characteristics	Mother - Age	0.05 (0.04)	0.02 (0.03)
	Father - Age	-0.04 (0.04)	0.00 (0.03)
	Mother - Less than grade 5	0.94 (1.02)	0.42 (0.70)
	Father - Less than grade 5	-0.68 (0.89)	-0.59 (0.61)
	Mother - Post-high school education	0.71* (0.37)	-0.24 (0.25)
	Father - Post-high school education	0.28 (0.39)	-0.17 (0.27)
	Household size	-0.39*** (0.12)	-0.16* (0.09)
	Asset - TV	0.87 (0.54)	0.76** (0.37)
	Asset - Phone	1.09** (0.43)	0.55* (0.29)
	Asset - Computer	1.48*** (0.43)	1.21*** (0.30)
Constant	24.39*** (1.26)	27.38*** (0.87)	
Adjusted R2	0.041	0.065	
Number of observations	2,268	2,268	

Source: Authors' estimates based on the ECEQAS of 2013

Notes: The dependent variables for models (1) and (2) are the total school readiness score and total adaptive behavior score, respectively. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Linear estimations and standard errors in parentheses. Provinces are not included due to high collinearity with many correlates. Religion is also not included due to high collinearity with ethnicity. The "others" ethnicity group is dropped due to too few observations.

## Quality Standards for Child Development Centers (Preschools) in Sri Lanka

Structural Variables
<p><b>Premises and Building</b></p> <ul style="list-style-type: none"> <li>Buildings should be firmly constructed with adequate light and ventilation with 20 sq. ft. of space per child</li> <li>Buildings should have a place to prepare food and a sick room</li> <li>Basic requirements for furniture and equipment</li> <li>Desks and chairs should be specially made for children_ - with particular height specifications</li> <li>Rack and cupboards to store material should be at the eye-level of children</li> </ul>
<p><b>Water and Sanitation</b></p> <ul style="list-style-type: none"> <li>Should be a clean source of drinking water and facilities to store boiled water for drinking</li> <li>Toilet facilities should be built to suit small children- 1 toilet/15- 20 children</li> </ul>
<p><b>Learning Environment</b></p> <ul style="list-style-type: none"> <li>School premises or areas immediately outside should provide a space for children to engage with nature- to develop observational skills and environmental awareness</li> <li>There should be one teacher for every 20 children</li> </ul>
<p><b>Psycho-Social Environment</b></p> <ul style="list-style-type: none"> <li>The environment should be free of threats (such as posed by displaying a cane , giving instructions in a loud and harsh voice or expecting complete silence)</li> </ul>
Caregiver/ Teacher Variables
<ul style="list-style-type: none"> <li>Teachers should have a minimum of 1 year of in ECE pre-service training (300 hours) and completed 50 hours of in-service training per year.</li> <li>Caregivers should have professional training from a recognized institution</li> </ul>
Program Variables
<p><b>Health and Nutrition</b></p> <ul style="list-style-type: none"> <li>Regular health checks and parent education sessions should be organized bi-annually</li> <li>Parents should be notified of below-average growth in children and children should be referred for medical attention</li> <li>The CDC should make arrangements for children to have one nutritious meal at the center (from home or prepared in school)</li> </ul>
<p><b>Parent Involvement</b></p> <ul style="list-style-type: none"> <li>Parent involvement is encouraged and a parent-teacher association is to be established to facilitate this.</li> </ul>
<p><b>Other Program Variables</b></p> <ul style="list-style-type: none"> <li>Free play time is encouraged as well as group and individual play</li> <li>Activities related to environmental awareness, observations and exploration</li> <li>Development of aesthetic sensitivity through music, song and drama</li> </ul>

Source: Authors based on MCDWA (2006)

## Household Information and Perceptions of ECE Provision

Questions, and two answers with largest shares for each question		Share of households (%)						
		All	Location of child's ECE center			Management type of child's ECE center		
			Urban	Rural	Estate	Government	Private	NGO
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Reason for participation and client satisfaction	Most important reason for sending child to ECE center <sup>35</sup>							
	For child to get food to eat				41			
	For child to learn to sit, obey, be quiet	18	16	20		19	21	16
	For child to get prepared for primary school	58	60	58	46	58	54	61
	Does child like ECE center? <sup>36</sup>							
	Yes	96	96	97	89	97	95	97
	Sometimes	3	3	3	10	3	5	3
	Are you satisfied with child's ECE center? <sup>37</sup>							
	Very much	86	85	86	88	79	84	87
	Somewhat	14	15	14	12	21	16	13
	The thing liked most about child's ECE center <sup>38</sup>							
Child learns to read, write, count	65	64	67	48	67	64	66	
Child plays with other children	17	19	16		16	19	16	
Child gains entry to good school				29				
To improve	Most important thing to be improved at child's ECE center <sup>39</sup>							
	Children's learning	21	23	18	47	24	28	17
	Physical facilities	58	54	62	45	55	55	61
Costs of ECE participation	Monthly payment to ECE center <sup>40</sup>							
	free				68		24	2
	Rs. 500 or less	32	21	39	30	27	45	26
	Rs. 500 - Rs. 1,000	43	44	46		42		56
	Most important other expenses related to child schooling <sup>41</sup>							
	School admission fee	77	81	79	11	71	69	82
Uniforms	13	7	13	73		20	10	
No expenses					13			

Source: Authors' estimates based on the ECEQAS of 2013

<sup>35</sup> The other answer options are: Center is close to home; Child likes to go to center; Child is looked after so adults can work; For child to learn English; Don't know.

<sup>36</sup> The other answer options are: Not at all; Don't know.

<sup>37</sup> The other answer options are: Not at all; Don't know.

<sup>38</sup> The other answer options are: Child learns to sit quietly; Child gets midday meal; Child is looked after so that adults can work; Child learns English; Other; No benefit; Don't know.

<sup>39</sup> The other answer options are: Quality of teachers, staff; Cleanliness; Reduction of fees; Provision of food; Less expenses for concerts, etc.; Other; Don't know.

<sup>40</sup> The other answer options are: Rs.1,000 – Rs.2,500; More than Rs.2,500; Don't know.

<sup>41</sup> The other answer options are: Learning materials; Elocution; Concerts, sports, exhibitions; Music, art, dancing; Don't know.

## The Early Childhood Education Quality Assessment Survey (ECEQAS) for Sri Lanka (2013)

### Survey components

- Survey of learning institutions to assess the diversity in the provision and quality of ECE services in the country,
- Household survey to assess the participation of 3-5 year olds in ECE programs and their choice of institutions, and
- Assessment of the school readiness of 4 ½ -5 year old Sri Lankan children.

### Sample selection methodology

A two stage sampling approach was used to select the sample of ECE centers for this study. In the first stage, nine districts were selected—one from each province. The districts with the highest number of ECD centres in the National Survey on Early Childhood Development Centres carried out by the Ministry of Child Development and Women's Affairs through the Children's Secretariat in 2010 were selected.

The districts selected from each province are given below:

Province	District
Western	Gampaha
Northern	Jaffna
Central	Kandy
Southern	Matara
North Central	Anuradhapura
North Western	Kurunegala
Sabaragamuwa	Ratnapura
Eastern	Ampara
Uva	Badulla

In the second stage, a sample of 250 centres (each with at least 15 enrolled children) was selected from these districts to include both rural and urban sectors as well as some centers from the plantation sector. The sample distribution was approximately proportionate to the sector-wise distribution in the National Survey on Early Childhood Development Centres of 2010. In each district, the sample of centers was selected to represent the different types of management structures. In order to select 10 children from each preschool and also ensure a good gender mix, only preschools that had both male and female children and had at least 15 enrolled children were included in the sample.

Finally, ten children, representing both males and females, were selected from each preschool using the following selection criteria:

- the child should have completed at least one full year in the preschool, and
- the child should be living relatively close to the center.

In selecting the children in the sample, preference was given to children with younger siblings of preschool age not attending any preschool, and to children with siblings less than three years old.





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