

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
APPRAISAL STAGE**

Report No.: PIDISDSA16487

Date Prepared/Updated: 17-Nov-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Serbia	Project ID:	P157117
		Parent Project ID (if any):	
Project Name:	Serbia Inclusive Early Childhood Education and Care (P157117)		
Region:	EUROPE AND CENTRAL ASIA		
Estimated Appraisal Date:	07-Nov-2016	Estimated Board Date:	21-Feb-2017
Practice Area (Lead):	Education	Lending Instrument:	Investment Project Financing
Borrower(s):	Serbian European Integration Office		
Implementing Agency:	Minister of Education, Science and Technological Development		
Financing (in USD Million)			
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			50.00
Financing Gap			0.00
Total Project Cost			50.00
Environmental Category:	B - Partial Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

Serbia made considerable progress in terms of both growth and poverty reduction between 2001 and 2008, however, economic growth has stalled since then, and progress on poverty reduction and shared prosperity has reversed. As in many neighboring countries, Serbia's pre-crisis growth was driven by high domestic demand and significant capital inflows. Consumption, both private and public, contributed significantly to growth. This consumption-fueled growth, however, proved unsustainable. Rural poverty and losses in employment and labor incomes were the main reason for the decline in B40 welfare after 2008. The contribution of total factor productivity has perceptibly deteriorated since 2008 as well.

Further, the working age population is projected to decline over time, as Serbia's society is aging; importantly, children from low-income and Roma households will represent a growing percentage of the future workforce. Relative to 2013, the working age-population (defined as age 15-64) is projected to fall by 8 percent by 2020, by 16 percent by 2030, and by 23 percent by 2040. Using best available estimates of the Roma population (between 400,000 and 800,000), new labor market entrants of Roma descent may represent between 14 and 29 percent of the total in the next 10-15 years. Maintaining GDP growth in the face of a declining working age population puts more pressure on increasing labor productivity, addressing the educational needs of children from low-income and Roma households, and on keeping workers in the labor force until retirement age and beyond. Currently, Serbia experiences a high rate of early withdrawal from the labor force, which if continued would cause even sharper declines in the future labor force. In this context, maintaining a positive contribution to growth requires increasing capital accumulation and labor market participation (including for excluded groups), keeping workers in the labor force; and boosting productivity (i.e. raising skills of the current and future workforce) and competitiveness through innovation.

Sectoral and institutional Context

Serbia's enrollment rates in primary and secondary school are better than in other countries at similar income levels, although the country's education system performs below international averages in terms of student achievement. In fact, the portion of students considered functionally illiterate in Serbia is still very high (roughly 40 percent of students in math and about one third in reading). Roma students significantly lag behind their non-Roma peers in schooling attendance, learning outcomes, and overall development. In addition, Roma infants and young children face particular challenges in regards to their health and nutrition: Infant mortality rates among Roma children are more than twice as high as the national average and the prevalence of under-nutrition is several times higher among Roma children than in the general population (around 10 percent of Roma children are underweight and around 19 percent are stunted).

International evidence shows that poor learning outcomes in primary and secondary education are often rooted in the lack of early learning and overall development opportunities (including lack of adequate nutrition, health, nurturing, and protection from stress) in the first few years of life. Globally, many young children from the most vulnerable households (i.e. the poorest or most marginalized) do not enter primary school ready to learn and do not reach their full development potential, in part because they are not exposed to sufficient opportunities for early learning and development. In turn, evidence shows that holistic and high-quality interventions in the early years of a child's life yield significant benefits in the short and longer terms. Many brain functions are particularly sensitive to change early in life and become less malleable over time. Accordingly, a number of early interventions (including nutrition, adequate health and nurturing, protection from stressors and early stimulation and learning opportunities) have been shown to have significant and long-lasting benefits, including through enhancing cognitive and socio-

emotional skills, among others. As a result, high quality interventions in the early years have not only a high cost-benefit ratio but also a higher rate of return for each dollar invested than interventions directed at older children in the primary, secondary, and tertiary education sub-sectors.

However, Serbia lacks integrated, comprehensive ECEC services to provide the full package of services that young children need for their healthy growth and development, early learning and general well-being. The importance of parenting itself has not been fully addressed by health and education systems. As a result, many parents lack guidance on the importance of these early years and on how to support the development of their young children, including through proper nutrition, relevant health services (e.g. early detection of disabilities, among others), early stimulation at home, and enrollment of their children in preschools. In Serbia, preschool institutions are an integral part of the education system and provide a platform for supporting the overall development of young children across the physical, cognitive, socio-emotional and linguistic areas. However, in contrast to general education, access to ECEC is both low and extremely inequitable.

C. Proposed Development Objective(s)

Development Objective(s)

The PDO is to improve access to quality Early Childhood Education and Care (ECEC) services, in particular for children from socially disadvantaged backgrounds.

Key Results

D. Project Description

The project will focus on improving access to quality ECEC services, in particular for children from socially disadvantaged backgrounds (with these inter-related aspects being reflected in the three components of the project) for children ages 0 to 6.5 years, with a particular emphasis on children from poor and minority backgrounds. Activities for children ages 3 to 5.5 years will focus on increasing access to quality preschools (i.e. child-centered and with age-appropriate learning opportunities) while also supporting their transition to the early grades of primary education (Components 1 and 2). Activities for younger children, i.e. from birth onwards (Component 3), will focus on empowering parents and families to support children's holistic development through increased knowledge about the importance of the early years (including adequate health and nutrition, early stimulation and learning opportunities, and nurturing and protection from stress) and about the relevant services available in the community. Finally, Component 4 will focus on project management, technical assistance, and monitoring and evaluation.

Component Name

Expanding the supply of preschools spaces

Comments (optional)

The objective of this component is to improve access to preschool services, particularly for disadvantaged children ages 3 to 5.5 years, by increasing the supply of spaces in high quality preschools. This sub-component will finance up to 17,000 new physical places in both urban and

rural areas through a combination of new construction, extension of existing preschools, and repurposing or upgrading of other public buildings such as primary schools. The refurbished and newly constructed environments will be conducive to child-centered education practices and will employ solutions that increase efficiency and flexibility.

Component Name

Strengthening the quality of preschool services

Comments (optional)

A growing body of research recognizes that Early Childhood Education and Care brings a wide range of benefits, but all these benefits are conditioned by quality. Expanding access to services without attention to quality will not deliver good outcomes for children or long-term productivity benefits for the society. This component would finance activities aiming to build the foundation of a quality preschool system that is characterized by a holistic approach to supporting children's physical, emotional, cognitive development and wellbeing. This will include support for implementation of the new preschool curriculum, improvements in pre- and in-service training, and support for improving quality assurance and quality building mechanisms for better child development outcomes.

Component Name

Stimulating demand for ECEC services

Comments (optional)

This component focuses on outreach activities to stimulate demand for relevant services for families with young children (from pregnancy to the time they transition to primary school), with a focus on the most vulnerable through a communication campaign, outreach to vulnerable families, and subsidies to ensure free preschool participation among the most vulnerable children. Parents and communities play a primary role in providing a strong foundation for children's development, but parents from vulnerable groups often feel disempowered to support their children. The focus is on poor families, those with children with disabilities, and Roma families, as their access to certain services is limited in a way that can affect their current and future wellbeing.

Component Name

Project management, technical assistance, and monitoring and evaluation

Comments (optional)

This component will support the day-to-day management of the Inclusive ECEC Project implementation, the monitoring and evaluation of its objectives and outcomes, and technical assistance for other quality reforms in the education sector beyond ECEC services (including to promote efficiency in other sub-sectors to allow for further expansion of ECEC).

E. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The specific construction/renovations sites in each eligible municipality cannot be selected during preparation stage because Project Management Unit (PMU) staff would need to be in place to finalize this identification process. The facilities proposed for rehabilitation/reconstruction will need to have appropriate construction and use permits. Screening procedures for site/facility eligibility will be described in the Project Operational Manual. The safeguards focal point in the

PMU will be trained on screening procedures to ensure consistency of risk assessment across subprojects.

To manage the potential risks of induced involuntary land acquisition and/or land/property clearance of existing use, a Resettlement Policy Framework (RFP) was prepared and disclosed ahead of Appraisal.

F. Environmental and Social Safeguards Specialists

Ifeta Smajic (GSU03)

Nikola Ille (GEN03)

II. Implementation

Institutional and Implementation Arrangements

The Project will be implemented over a period of five years. The key implementing agency of the Project will be the Ministry of Education, Science, and Technological Development (MoESTD). The MoESTD would be ultimately accountable for the execution of project activities and the project implementation would rely on its existing structures, with the additional support of the Project Management Unit (PMU). Implementation arrangements place an emphasis on continually strengthening the MoESTD's capacity to promote long-term sustainability of the system. The Project implementation structure would consist of: (i) Project Management Unit; (ii) Centralized Fiduciary Unit (CFU); (iii) Working Group (WG) consisting of the MoESTD staff; (iv) Consultative Group (CG) led by MoESTD; and (v) Grant Approval Committee (GAC) led by MoESTD and in coordination with the PMU.

Day-to-day activities under the Project would be managed by a PMU housed in the MoESTD and headed by a Project Director. The PMU would report to the MoESTD and would be responsible for day-to-day project implementation, for preparing TORs, reviewing documents, overall project coordination, monitoring activities, safeguard, and reporting. In addition to the PMU, a CFU (responsible for procurement and financial management) will be housed under the Ministry of Finance (MoF) as per the agreement reached between the MoF and the MoESTD. The Working Group already exists and includes technical experts from the MoESTD, including focal points for each of the project's components. This WG is headed by the MoESTD State Secretary and is responsible for providing technical expertise and support to the PMU in the day to day project implementation activities. The Consultative Group already exists and is headed by the MoESTD; it includes representatives from other relevant ministries, institutions, and partners (i.e., members of academia and civil society organizations). The Consultative Group advises on inclusive ECEC policy issues more broadly and ensures close coordination and exchange of information across key sectors and stakeholders. The Grant Approval Committee will consist of representatives from MoESTD and actors from multiple sectors and different stakeholders at the national level (health, social care, country-wide Roma NGOs, etc.). The GAC that will be established and headed by the MoESTD and PMU will be responsible for evaluating and selecting grant proposals. The inter-sectoral teams at local level would be composed of representatives of LSGs, preschool institutions, primary schools, centers for social work, health centers, local branches of Red Cross, Inter-Sectoral Commission (ISC) local NGOs, representatives of local Roma structures (teaching assistants, Roma health mediators, Roma coordinators, where applicable) and parents or respective local associations of parents.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The policy is triggered due to activities in Component 1 which envisage works on improving and extending the existing preschool infrastructure, or constructing new ones. Currently, locations of these facilities are unknown, but are expected to be in urban and semi-urban settlements throughout Serbia. The Borrower prepared and disclosed a Project-specific ESMF, which remains publicly available at the Borrower's Internet site.
Natural Habitats OP/BP 4.04	No	The Project will not involve activities in or adjacent to protected natural habitats.
Forests OP/BP 4.36	No	Not applicable.
Pest Management OP 4.09	No	Not applicable.
Physical Cultural Resources OP/BP 4.11	Yes	Since the location of all facilities are not known, it is possible that some of the project activities under Component 1 may include rehabilitation works on some of the existing facilities located in buildings that already enjoy status of protected ones. In these cases, besides obtaining permits and conditions from the respective national institutions (Institutes for Cultural Heritage Protection), the site-specific ESMPs will include specific measures as developed in the generic ESMP, which are already included in ESMF. These measures will be supplemented by additional measures that may be indicated by the respective national institutions. Process of obtaining cultural heritage conditions and permits, and possible protection and mitigation measures are outlined in the Project-specific ESMF, which was prepared and disclosed by the Borrower.
Indigenous Peoples OP/BP 4.10	No	Not applicable.
Involuntary Resettlement OP/BP 4.12	Yes	OP/BP 4.12 is triggered because the construction, reconstruction and rehabilitation activities of Component 1.1 aimed at improving coverage of ECEC services in Serbia raise the potential for land acquisition or clearance of public land/property for project related use. The Project estimates that under Component 1.1 up to 17000 new physical preschool places will be made available. Sites for civil works will be identified at the beginning of Project implementation and the principle of minimal harm will be applied during site selection. A Resettlement

		Policy Framework (RPF) was prepared to manage potential risks of involuntary resettlement and guide preparation of site-specific Resettlement Action Plans, as needed. The RPF includes procedures for performing social screening (i.e., resettlement checklist) of proposed subproject sites/facilities. Abbreviated Resettlement Action Plans will be prepared for any sub-project requiring involuntary land acquisition/resettlement. The Project does not anticipate physical and economic displacement. The RPF was disclosed in-country on October 19, 2016 and on Infoshop on November 18, 2016.
Safety of Dams OP/BP 4.37	No	Not applicable.
Projects on International Waterways OP/BP 7.50	No	Not applicable.
Projects in Disputed Areas OP/BP 7.60	No	Not applicable.

IV. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>The project's social impacts are expected to be largely positive as the project will increase good quality preschool access, particularly for disadvantaged children. The construction, reconstruction and rehabilitation activities of component 1 aimed at improving coverage of ECEC services in Serbia raise the potential for land acquisition or clearance of public land/property for project related use.</p> <p>Given the nature of civil works (i.e., buildings), selection of sites for new construction and repurposing is flexible and large-scale adverse social impacts can be avoided. However, if not properly managed, there is a possibility for negative environmental impacts resulting from the civil works activities. These activities, although with possible small-scale negative impacts at any given location/structure, can have potential for larger-scale cumulative impacts if adequate mitigation and monitoring activities are not put in place. In order to offset these risks, a Project-specific ESMF was prepared and disclosed in accordance with the Bank OP 4.01, which includes, among others, standard mitigation and monitoring measures for civil works envisaged under the Project. Among others, the ESMF deals with the planning and permitting issues; construction material and construction waste handling; vibration, noise and other physical impacts; site safety; health, fire and other risks to the general population and workers; cultural heritage protection; urban planning in urban and semi-urban areas. These measures are presented in detail as a part of the Generic ESMP, which will be applied and customized to future selected construction sites.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>The project contributes to long term poverty reduction by leveling the field for socio-economically disadvantaged children, providing them with opportunities to increase cognitive and socio-emotional skills that can pay off later in life with increased social and private benefits.</p>

<p>As outlined in section IV.A.1, if properly managed, there will be no negative indirect nor long term environmental impacts of the Project activities. Consistent and vigorous application of ESMF, and resulting site-specific ESMPs will ensure positive impacts on the urban and semi-urban areas by ensuring environmentally-friendly construction site management and application of good construction practices.</p>
<p>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</p>
<p>N/A</p>
<p>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</p>
<p>Project-specific ESMF and RPF have been prepared to ensure adequate safeguards risk management at sites with anticipated civil works. The RPF includes a resettlement screening checklist to be used during preliminary site identification for identifying potential involuntary displacement, which are also described in the Project Operational Manual. The ESMF includes a generic ESMP and sample templates for monitoring environmental and social risks, including disruption of education facilities, impacts on children's health and safety during construction.</p> <p>The current safeguards capacity at MoESTD is weak, since the experienced professionals that worked on related issues during the previous World Bank funded project (DILS) are no longer available at the Borrower's institution. The existing environmental and social safeguards capacities at the Ministry would need to be significantly strengthened for the Project implementation phase. As a first step, MoESTD has appointed an employee to serve as a safeguards focal point.</p> <p>Experienced Social Specialist and Environmental Specialist will be hired on part time basis to support the preparation of site-specific safeguards instruments, including ESMPs, and RAPs, and to monitor and report on compliance with safeguards related activities during the Project implementation. The safeguards focal point in the PMU will be trained on screening procedures to ensure consistency of risk assessment across subprojects.</p> <p>The Bank's Social Safeguards Specialist and Environmental Specialist remain available to provide additional training and guidance to future selected PMU staff in preparing the site specific ESMPs and RAPs and will supervise implementation of social and environmental policies, including resettlement implementation in course of the regular supervision missions.</p>
<p>5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.</p>
<p>As part of the Project preparation, approximately 550 individuals from relevant constituencies, such as Local Self Governments, Regional School Administrations, health care centers, preschool head teachers, Roma health mediator, parents, NGOs, etc. across Serbia were consulted on a number of children enrollment policies and barriers. These extensive consultations were used to inform the project design and specific ECEC accessibility and service improvement interventions. Consultations with relevant stakeholders, including parents, teachers, health care providers, etc. will be organized at critical points during subproject/facility planning and design. The Project will monitor the share of planning and design changes that were made by suggestions of relevant community members. Safeguards instruments (ESMF and RPF) were disclosed 10 days in advance of public consultations. At the moment of disclosure, the public was informed about the purpose, availability of the documents (e.g., MoESTD website) and duration of the disclosure, as well as</p>

the place, date and time of scheduled consultations for the safeguards instruments. A comprehensive disclosure and consultation will be done for each of the EMPs produced for each project site at the local level during the future Project implementation phase. The invitation for public consultations will be undertaken in line with the ESMF, Bank's OP 4.01 and national legislation, if applicable. This will also include announcements in the local and/or national press.

Due to the dispersed nature of sub-projects, a central level GRM at the MoESTD will be made accessible to the Public to ensure that grievances are recorded and addressed effectively and consistently.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	03-Nov-2016
Date of submission to InfoShop	18-Nov-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Serbia	15-Nov-2016
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	03-Nov-2016
Date of submission to InfoShop	18-Nov-2016
"In country" Disclosure	
Serbia	15-Nov-2016
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	

Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Is physical displacement/relocation expected? Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] TBD [<input type="checkbox"/>]
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods) Provided estimated number of people to be affected	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] TBD [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

V. Contact point

World Bank

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VII. Approval

Task Team Leader(s):	Name: Sophie Naudeau, Marijana Jasarevic	
<i>Approved By</i>		
Practice Manager/ Manager:	Name: Mario Cristian Aedo Inostroza (PMGR)	Date: 18-Nov-2016
Country Director:	Name: Antonius Verheijen (CD)	Date: 18-Nov-2016