



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 09/15/2020 | Report No: ESRSA01006



BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Bangladesh	SOUTH ASIA	P174085	
Project Name	Recovery and Advancement of Informal Sector Employment		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	9/23/2020	2/25/2021
Borrower(s)	Implementing Agency(ies)		
People's Republic of Bangladesh	Wage Earners Welfare Board, Palli Karma-Sahayak Foundation (PKSF), Wage Earners Welfare Board		

Proposed Development Objective

The objective is to provide services that can enhance earning opportunities for low-income urban youth, urban youth impacted by COVID, and returning migrants.

Financing (in USD Million)	Amount
Total Project Cost	300.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

Yes

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

CONTEXT

Bangladesh has experienced a long period of rapid growth, job creation, and poverty reduction, but there have been persistent structural challenges of job quality and inclusion. Slowing job creation has stunted transformation of the labor market, where informality and poor job quality remain the norm. Just one in five workers are wage employed, and both formal and informal workers experience poor working conditions and vulnerability. Gender disparities remain acute: just 36 percent of females are in the labor force versus around 82 percent of males and one in three



working women are engaged in unpaid work versus five percent of working men. Among the key barriers to women's access to quality jobs include women's disproportionate responsibility for caregiving and household work, restricted mobility rooted in cultural norms, lower technical skills, and gender-based discrimination in the labor market. Women and youth are bearing the brunt of the recent slowdown in job creation – progress on female labor force participation has reversed among urban women in recent years, unemployment among tertiary educated youth has spiked, and underemployment among less-educated youth has persisted

While addressing these structural challenges and growth slowdowns, the (GoB) must now also cope with COVID-19 crisis, and low-income urban workers, especially informal sector workers are expected to be among the hardest hit by the economic fallout. Involuntarily returning migrant workers, and lower future demand for Bangladeshi migrants may also produce upward pressure on the labor supply. Simulation analysis suggests that the crisis will increase the poverty headcount, with the more heavily urbanized Divisions seeing the greatest increases. If the incomes of informal sector workers in services and manufacturing, and household income from international remittances were to fall by half, along with slower GDP growth, then 17.7 million people would fall below the upper national poverty line. Increases in poverty headcount are the most severe in districts with high proportions of urbanization. The shocks are projected to increase the number of poor in Dhaka and Chittagong Division by 5.3 million and 3.8 million people, respectively. The longer-term impacts would be more severe due to the dynamics of the impact. Human capital (especially of children) would suffer as food consumption falls, savings and assets are consumed, households return to rural areas, and liquidity constrained microenterprises go out of business.

In response to structural challenges and to accelerate economic transformation, the GoB has emphasized labor intensive job creation in the modern sector, but there are programming gaps for boosting employment for low-income urban youth and to enhance coverage of labor market programs for post-COVID recovery. There are few, if any, programs designed to address the other factors constraining the labor market outcomes of poor and less-educated youth. The need for targeted labor market programs for those in the informal sector, especially urban youth, has been made more urgent by the ongoing COVID-19 crisis, due to the urban informal sector being disproportionately affected by the COVID-related shocks. Globally, labor market interventions have proven to be a popular instrument in COVID response and recovery.

The country is also bracing for an influx of returning migrant workers, many of whom are expected to be returning involuntarily or before their planned return dates, and will need support their transition back to the domestic economy. Between [January to April 2020, over 250,000] migrants have returned to Bangladesh, and estimates suggest up to two million may return over the coming months. Once back home, returnees face multiple challenges including lack of employment opportunities; limited access to social safety nets, and even discrimination by community members fearful that migrants may transmit COVID-19. Bangladeshi migrant workers also tend to experience some of the highest costs to migrate in the world, equivalent to 6-9 months of wages at destination. If migrant workers are involuntarily returning before their planned return, they may be coming back with substantial debt. Addressing the reintegration needs of the returnees requires multidimensional interventions that enable them to establish the economic, social, and psychosocial relationships necessary to participate in livelihood activities and civic life in a dignified manner.

PROJECT DESCRIPTION



The project will support the establishment of two interrelated programs, and the necessary institutional capacity building to implement these programs equitably, efficiently, and transparently. The first is an economic inclusion program for the low-income, less-educated urban youth, including those whose livelihoods have been affected by COVID. This will be implemented by the Palli Karma-Sahayak Foundation (PKSF). The second is a program to support the transition of returning migrant workers into the Bangladeshi labor market, to be implemented by the Wage Earners Welfare Board (WEWB).

The project has five related components:

- Component 1 will develop the curriculum of the various training activities, and the information system for the economic inclusion program.
- Component 2 will provide the package of services for the economic inclusion program, including essential life skills; on-the-job-learning opportunities through informal apprenticeships; business management training, microfinance, and microfinance.
- Component 3 will address the immediate and medium-term needs of returning migrants that would enable them to commence the process of reintegration and restoration of livelihoods. This would be done by supporting the establishment and operationalization of 30 field offices of the WEWB to provide cash transfers, and counseling to returning migrants.
- Component 4 will finance project management and implementation unit expenses, and capacity building.
- Component 5 would be a Contingent Emergency Response Component (CERC). This is a provisional zero amount component to allow for rapid reallocation of loan proceeds from other project components during an emergency.

The project beneficiaries will be low-income, less-educated youth, and can be considered to be of three broad sets:

- The first set will be low-income, less educated youth (15-34) living in urban and peri-urban areas. The urban and peri-urban areas include both metropolitan areas and upazilas with high levels of urbanization (more than 20 percent of households described as urban). Program implementation areas will be selected based on meeting the urbanization criteria and service delivery capacity of POs in those locations. 180,000 beneficiaries are expected to be in this set.
- The second set will be low-income youth living in urban and peri-urban areas that were self-employed as of March 2020, but whose livelihoods were affected by COVID-19 related demand and supplyshocks. 50,000 beneficiaries are expected in this set.
- The third set will be migrant workers returning to Bangladesh after January 2020, with special outreach to those that self-identify as returning involuntarily, or whose repatriation to Bangladesh is being supported by a government or non-government entity. Eligibility will be verified by checking registration in the systems developed under GoB repatriation programs, or inclusion in the returnee database to be financed by this project. Return migrants that are not included in the database or systems (such as due to coming back before the systems were online, or on their own resources) will need to provide proof of their last return, such as their contract, re-entry documentation from Bangladesh Special Branch during immigration, and/or flight details. 200,000 beneficiaries are expected in this set.

RELATIONSHIP TO CPF AND HIGHER LEVEL OBJECTIVES

The project aligns very clearly with the Bangladesh Country Partnership Framework (CPF) FY2016-2020, South Asia Regional Strategy, and the Bangladesh Social Protection and Jobs sector strategy. The CPF noted that the fundamental challenge for Bangladesh's growth and poverty reduction progress was the need to accelerate the pace



of job creation while improving the quality. The CPF identifies human development, including better labor market outcomes, as a foundational priority for growth and poverty reduction in Bangladesh. These priorities in turn are reflected in the Regional Strategy where jobs are included as major pillars for growth and social inclusion. The Bangladesh Country Management Unit's commitment to the jobs agenda is illustrated by its support of the Jobs Platform (P165929), and the Jobs Development Policy Credit operation (P167190).

This project falls under Pillar 2 of the World Bank Group COVID-19 Crisis Response Approach for both Restructuring and Resilient Recovery Stage activities. Pillar 2 of the approach is focused on protecting the poor and vulnerable. The proposed project will be aligned with the restoration of human capital objective by supporting the immediate consumption needs of migrant workers from low-income households that are returning due to COVID-related push factors in destination countries. This would be framed within the Restructuring Stage of the WBG's COVID response. The proposed project's activities to improve their employability and productivity of young, urban and low-income youth will be aligned with the putting people back to work objective of the Resilient Recovery Stage of the WBG response.

IMPLEMENTATION

The Palli Karma-Sahayak Foundation (PKSF) affiliated with the Financial Institutions Division (FID), and the Wage Earners Welfare Board (WEWB) under the Ministry of Expatriate Welfare and Overseas Employment (MEWEO) will be the implementing agencies for the Project. PKSF is a semi-autonomous government institution under the Financial Institutions Division (FID) with a mandate of sustainable poverty reduction through employment generation, with a focus on ultra and moderate poor and micro-entrepreneurs. PKSF has considerable experience implementing Bank projects, most recently with Sustainable Enterprise Development (P163250) as well as the proposed Rural Water, Sanitation and Hygiene for Human Capital Development (P169342). The WEWB is a statutory body under the Ministry that was created by the Wage Earners Welfare Act 2018. The Act lays out the formation and work-plan of the Wage Earners' Welfare Board. The Welfare Board is authorized to initiate and implement projects, provide emergency support to migrants, extend support upon return to ensure protection and social and economic reintegration, repatriation of remains, and provide a range of social protection-related services for migrant workers and their families. The Board's parent Ministry is responsible for ensuring the welfare of expatriate workers and enhancing overseas employment opportunities through increased labor market access for Bangladeshi workers and skills development of the workforce. The Ministry has demonstrated its capacity to manage the successful repatriation and reintegration of migrant workers through the Emergency Repatriation and Livelihood Restoration Project (P126623) in response to the Libyan civil war in 2011.

PKSF would be responsible for implementing Components 1-2. Through its network of 277 Partner Organizations (POs), many of which have operations in multiple locations, PKSF has significant outreach and implementation capacity at the community level. POs would be selected under the project based on their governance and management structure; personnel capacity, including trainer; linkages to microenterprises, and financial viability. Detailed eligibility and selection criteria would be elaborated in the Operations Manual, including measures that would be taken to ensure adequate enrolment and retention of women and persons with disabilities.

WEWB would be responsible for implementing Component 3. It will be responsible for registering and tracking returning migrants through the Return Migrants Registry. With the operationalization of the upgraded information system, it will have the ability to identify and match returning migrants with other services that MOEWOE may be able to offer them, such as through the BMET (for training), PKB (for access to finance), or BOESL (for support in re-



migrating). Through the project, WEWB will establish welfare offices at the district-level, co-located with the BMET District Employment and Manpower Offices (DEMOs) where welfare officers will be able to provide outreach, counseling, and case management to return migrants that want to take advantage of the reintegration program support.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project beneficiaries are low-income, undereducated youth (aged 15-34) in urban and peri-urban areas and migrants who have involuntarily returned to Bangladesh in the face of the COVID-19 crisis. The urban and peri-urban areas include both metropolitan areas and upazilas with high levels of urbanization (more than 20 percent of households described as urban). Program implementation areas will be selected based on meeting the urbanization criteria and service delivery capacity of Partner Organizations (POs) in those locations. The exact physical location of the intervention is currently unknown and will only be known during program implementation. For Component 3, Welfare Offices will be setup in BMET District Employment and Manpower Offices (DEMO). Nevertheless, the proposed interventions will have countrywide implications and impact on both young, undereducated poor population (including women, vulnerable and the disadvantaged) as well as returnee migrants and at-risk informal micro-enterprises operated by low-income individuals. Bangladesh’s urban landscape (the Project implementation focus area) is characterized by rapid urbanization accompanied by strong economic growth; exceptionally high population density; primacy of Dhaka; concentrated economic production and high economic density; specialization in low-value-added, labor-intensive garment production; peri-urbanization of garment employment in metropolitan Dhaka; comparatively better infrastructure and services than the rest of the country; pollution due to extreme traffic and population density; higher than average crime rate; concentration of public offices and major decision-making hub; higher concentration of training facilities and health care services and a lack of green space. Around 37% of Bangladesh population live in the urban areas. Major disaster risks faced by urban population is earthquake, flood and heat waves.

D. 2. Borrower’s Institutional Capacity

The Wage Earners’ Welfare Board (WEWB) of Ministry of Expatriate Welfare and Overseas Employment (MEWOE) and Palli Karma-Sahayak Foundation (PKSF) would be the two Implementing Agencies (IAs) for the Project.

PKSF is a semi-autonomous government institution under the Financial Institutions Division (FID) with a mandate of sustainable poverty reduction through employment generation, with a focus on ultra and moderate poor and micro-entrepreneurs. PKSF has dealt with safeguards issues adequately in the past World Bank financed projects and are currently implementing various project including Sustainable Enterprise Development (P163250), the Rural Water, Sanitation and Hygiene for Human Capital Development (P169342), and Low Income Community Housing Support Project (P130710). PKSF’s ES performance have been found to be satisfactory. They have good grasp of WB and the national ES laws, regulations, policy and procedures and have experienced manpower and leadership to implement the same in the field with due diligence, oversight and rigorous monitoring and evaluation.

PKSF will be responsible for implementing Components 1-2. Through its network of Partner Organizations (POs), many of which have operations in multiple locations, PKSF has significant outreach and implementation capacity at the community level. POs are selected under the project based on their governance and management structure; personnel capacity, including trainer; linkages to microenterprises, and financial viability. Each PO will establish a

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Project Implementation Unit (PIU) and would be responsible for delivering the essential life skills workshop to beneficiaries, the informal apprenticeship program, the self-employment support package, and provide microcredit. Cash stipends and microcredit for beneficiaries would be channeled through the existing PKSf-PO financial management system, whereby funds would be transferred from PKSf to the PO and onward to the beneficiary, and the PO would report back to PKSf with transaction details. All the POs of PKSf are registered both as NGOs and MFIs.

PKSf has a well functioning Environmental and Social Management System (ESMS) in place to manage, and monitor the E&S risks and impacts of FI subprojects. PKSf’s ESMS assessment has been carried out by the Bank team during the project preparation. The result of the evaluation of the ESMS has been shared with PKSf and major gap filling measures/ recommendations have been appended in ESS9 (Financial Intermediaries) section below and also reflected in the ESCP.

The WEWB is a statutory body under the MEWOE that was created by the Wage Earners Welfare Act 2018. The Act lays out the formation and work-plan of the Wage Earners’ Welfare Board. The Welfare Board is authorized to initiate and implement projects, provide emergency support to migrants, extend support upon return to ensure protection and social and economic reintegration, repatriation of remains, and provide a range of social protection-related services for migrant workers and their families. MEWOE is responsible for ensuring the welfare of expatriate workers and enhancing overseas employment opportunities through increased labor market access for Bangladeshi workers and skills development of the workforce. The Ministry has demonstrated its capacity to manage the successful repatriation and reintegration of migrant workers through the Emergency Repatriation and Livelihood Restoration Project (P126623) in response to the Libyan civil war in 2011. However, WEWB has recently been setup and has no experience in any WB funded project.

WEWB would be responsible for implementing Component 3. It will be responsible for registering and tracking returning migrants through the Return Migrants Registry. With the operationalization of the upgraded information system, it will have the ability to identify and match returning migrants with other services that MEWOE may be able to offer them, such as through the BMET (for training), PKB (for access to finance), or BOESL (for support in re-migrating). Through the project, WEWB will establish welfare offices at the district-level, co-located with the BMET District Employment and Manpower Offices (DEMOs) where welfare officers will be able to provide outreach, counseling, and case management to return migrants that want to take advantage of the reintegration program support.

Both IAs will establish independent Project Management Units (PMUs), headed by (i) a Project Coordinator reporting directly to PKSf senior management, including the Deputy Managing Director and (ii) a Project Director, reporting directly to the Director General of WEWB. The PMUs would comprise Deputy Project Coordinator/Director, technical staff, fiduciary specialists who would be responsible for all financial management-related activities under the Project, and ES specialists to support, monitor and report on implementation of the Environmental and Social Commitment Plan (ESCP).

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate



Environmental Risk Rating

Moderate

The RAISE Project aims at providing life skill lessons, apprenticeship opportunities, access to capital, psychosocial support including referral services and networking for the beneficiaries that include urban undereducated youth, marginalized women and people with disabilities as well as returnee migrants (both component 2 and 3). In component 2, the major issue for the environmental risk and impact is likely to emanate from supporting type of activities that may cause environmental pollution, and beneficiaries potentially starting businesses that may affect the environment. PKSf has a negative/exclusion list to avoid environmentally damaging activities. The exclusion list is a part of PKSf’s ESMS. Subprojects which may result in either high or substantial risk will also not be eligible for funding. Further, the potential risks from moderate risk sub-projects can be managed by appropriate environmental and climate-friendly best practices and screening activities for adherence to appropriate standards. To the extent possible, the project would leverage resources and curricula developed through the Sustainable Enterprise Project (SEP). The PKSf’ESMS has screening mechanism that will restrict both the individual entrepreneurs and the beneficiary microenterprises resorting only to those business practices that have moderate or negligible impacts. Environmental risk related to Component 3 (for returnee migrants) is negligible since it will not finance any businesses. However, for both components the IAs and the POs will have to interact with the beneficiaries heavily in person for training, networking and other support activities, which renders them susceptible to risk of COVID infection. Therefore appropriate provision of protection measures need to be in place to prevent the spread of infection. The environmental risk is rated Moderate for the moment. However, this risk classification will be revisited in case future information warrants any change to the classification and will be disclosed on the Bank’s website.

Social Risk Rating

Moderate

The present COVID-19 crisis has rendered the earning of low-income urban workers as well as returnee migrants to spiral below a livable level. The pandemic has also lowered women’s labor force participation who are now spending their time in caregiving roles and household chores more than what they did before the crisis. Coupled with this cultural norms, lower technical skills, and gender-based discrimination in the labor market have made the barrier to women’s access to quality jobs even stronger. The high number of unemployed undereducated youths (including women, the disabled and the vulnerable) and returnee migrants, spiked through this crisis, would thus proffer to be a challenge given the fact that number of eligible candidates could outnumber the number of project intended beneficiaries. This is a potential environment for elite capture that needs to be mitigated through careful selection method and monitoring.

Selection and inclusion of returnee migrants, minority groups and the disabled—who may lack networking and who may potentially be left out of the community engagement/outreach programs may also be difficult. Therefore, differentiated measures need to be undertaken to include all of these segment who may face disproportionate risk of exclusion.

Given the COVID-19 pandemic, without proper protocol enforcement beneficiaries undergoing apprenticeship and psychosocial support may be exposed to the virus. Ensuring protocol enforcement may pose challenges since intended young beneficiaries may be reluctant to follow the same. Further, with the lack of proper health service in various part of project intervention areas, this has potential to create an obstacle to project progress and achievement.

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Though the GBV risk assessment for the project has been estimated to be Low still there is likelihood for the female beneficiaries in the apprenticeship program be subject to Gender-Based Violence (GBV) in the hands of the beneficiary selectors and microenterprise management where they will undergo apprenticeship.

Given the above potential risks and impacts the social risk for the project is rated as Moderate This is subject to change during the implementation and will be updated as and when required.

The social risk rating the concept stage ESRS was Substantial. During concept stage PKSf's ESMS had not been evaluated to understand if it met the requirements of ESS9 and if it was strong enough to carry out ES risk and impact assessment and management. PKSf's ESMS have now been reviewed and was found to contain both Environmental and Social Management Framework, HR Policy, Gender and GBV harassment policies etc. Upon reviewing the ESMS, the Team has provided its feedback to strengthen the ESMS which will make it more comprehensive to address ES issues, risks and impacts. PKSf also has strong track records in implementing ES management in SEP, LICHSP and OBA Sanitation projects, all of which are WB funded projects. The Component 3 which is to be implemented by WEWB has also been scaled down significantly and now only includes providing orientation and psychosocial support to returnee migrants, referral service for future employment and stipend for migrants. The current social risks potential analyzed after availability of information since concept stage ESRS, existence of strong PKSf ESMS, their track records and scaled down intervention under WEWB combinedly lower the social risk from Substantial to Moderate, which can be managed by various ES management activities by the Implementing Agencies.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Relevant. This ESS is relevant to the Project and clarifies the Borrower's responsibilities in identifying and managing the Environmental and Social (E&S) risks of the project. The project aims to provide access to apprenticeship and finance, coaching, and mentorship for low income, undereducated youth (including women, persons with disability and the vulnerable) as well as returnee migrants with orientation program, psychosocial counselling, referral, stipend and community mobilization program.

PKSF component will be implemented through their Partner Organizations (PO), some of which will be selected to work as PFI (participating FI). Each PO will be competitively selected by PKSf based on a set of criteria, including past performance; capacity to deliver all services of the economic inclusion program, and administration of the case management system. Each PO would establish a Project Implementation Unit (PIU) and would be responsible for delivering the essential life skills workshop to beneficiaries, the informal apprenticeship program, the self-employment support package, and provide microcredit. Cash stipends and microcredit for beneficiaries would be channeled through the existing PKSf-PO financial management system, whereby funds would be transferred from PKSf to the PO and onward to the beneficiary, and the PO would report back to PKSf with transaction details. The PKSf Component will thus be treated as FI Project as per ESF.

PKSF has a well functioning ESMS that includes Environmental Management Framework, Social Management Framework, HR Policy (including terms of services, service rule, gender policy inclusion of the vulnerable, sexual



harrasment policy etc) and screening format, consultation and information sharing mechanism. The project will be implemented according to PKSF's ESMS. All FI subprojects will be screened against the PKSF's exclusion list to ensure that any beneficiaries supported under this Project do not adopt any practice or develop a business that can be potentially environmentally and socially damaging. In addition, under this project, any sub-projects with substantial to high ES risks will be ineligible. The ESMS has been reviewed, gaps have been identified and recommendations made which have been illustrated in ESS9 below.

The process of providing access to apprenticeship and finance, coaching and mentorship will render the project beneficiaries as well as implementers susceptible to risk of COVID infection due to heavy interaction between both parties. The provision of protection and mitigation measures will be adopted according WHO and WB guidelines.

Key stakeholders, including undereducated young females, single young mothers living in urban areas, vulnerable and disadvantaged communities, returnee migrants have been identified and consulted upon to understand their concerns and requirements through preparation of Stakeholder Engagement Plan (SEP). An Environmental and Social Commitment Plan (ESCP) has also been developed by the IAs detailing material measures and action to manage E&S issues in a time bound fashion.

The Project disadvantaged people include undereducated women, women returnee migrants, people with disability, ethnic minorities and people living at the bottom of poverty scale. The project has identified the vulnerable segments who, for their circumstances cannot voice their opinion and may be excluded from the consultation process. The SEP has identified these groups, carried out consultation, brought out their specific needs and aspirations. Further consultations have been planned so that vulnerable groups can voice their opinions and their aspirations taken in project implementation. Women and other vulnerable groups have been included in project beneficiary groups and differentiated measures (include specific GRM interventions, code of conduct to reduce GBV, development of screening criteria for selecting those vulnerable groups) have been planned. For example, to contribute towards reducing the gender gaps in skills and female labor force participation at least 35% apprenticeship will be women. Project has plans to develop gender-specific and vulnerable group sensitive curriculum, addressing their needs and aspirations. The outreach and counselling services will be gender and vulnerable group focused. Public awareness and communication campaign too will ensure the project benefit messages reach to the vulnerable groups and the communities are encouraged to let the women and other vulnerable groups participate in the program.

An Operation Manual will be prepared for the Project which will include actions and measures to be adopted to identify and address ES risks and impacts. The manual will also include an exclusion list, which will set out interventions that will not be funded by the Project.

For the component implemented by WEWB, an Environment and Social Management Frameworks (ESMF) has been prepared detailing procedure, guidelines to assess and manage ES risks and impacts when specific design criteria, locations of welfare offices etc will be available.

The Project components include a Contingent Emergency Response Component (CERC) for situations of urgent need of assistance. In the event of an eligible crisis or emergency, the project will contribute to providing an immediate and effective response to said crisis or emergency through the CERC. For activation of CERC an ESMF will be required



as soon as decision is taken to activate the CERC. ESMF will contain an exclusion list stating the activities that will not be funded by the CERC.

ESS10 Stakeholder Engagement and Information Disclosure

Relevant. A number of stakeholder consultations were made with project beneficiaries for their inputs for Project design. The team held multiple qualitative interviews with current and former beneficiaries of existing labor market programs targeted to low-income youth across the country. Consultations with PKSF and its partner organizations (POs), MEWOE, major employers of prospective beneficiaries, Government counterparts, researchers, migrants, representatives from the Finance Division, Financial Institutions Division, development partners, and civil society were also made. Given the present COVID-19 pandemic, most of the interaction were made over internet, SMS and telephone conversation. However, upon depletion of the crisis, stakeholders opined that they would like to have more face to face interaction, in small groups, through focus groups discussions, townhall meeting, seminars and workshops. For women and other vulnerable groups, interaction and engagement will be done by female staffs, in separate sitting and provision of safe spaces where they can voice their opinions without fear of reprisal.

A number of consultation with the potential beneficiaries (including women, disabled and ethnic community members) were held that focused specifically on employment outcomes and aspirations, with a focus on their constraints for improving productivity, benefits and drawbacks of existing programs that they had participated in, their perception on constraints to starting self-employment, staying in business, and growing etc. Similar consultations with returnee migrants were also carried out. The individuals had expressed interest and concerns in both wage employment and self-employment, their concerns over starting new lives back in the country after returning from abroad, revealing for example, the large gender gaps in access to seed capital and ability to access microfinance for starting/growing businesses and concerns over their applicability of experience in local market as opposed to their host countries. Given the prevailing COVID-19 pandemic situation and the need for social distancing and other measures, future stakeholder engagements need to follow COVID-19 protocols and instead of face to face contact use of technology and media (online meeting, radio and local TV broadcasts, web-based information sharing, mobile platform and SMS) will be used. In case face to face interaction is absolutely necessary for consultation, required distancing protocols will be followed. Various channels of communication will be used and broadcast so that maximum beneficiaries can come under the purview of information sharing and raising of concerns.

A Stakeholder Engagement Plan (SEP) has been developed by the IAs for stakeholder engagement and disclosure of information plans/actions, which is a living document and will be updated throughout the project implementation. The SEP outlines the characteristics and interests of the relevant stakeholder groups (such as unemployed youth and women, returnee migrants, local businesses, relevant government agencies, relevant CSOs) and timing and methods of engagement. Project level Grievance Redress Mechanisms (GRM) have been prepared under the SEP through which issues and concerns can be raised about the project. The GRMs have provisions for Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) related complaints (survivor-centric approach, confidentiality, staffed by people with appropriate special training). Upon Project activation, specific staff members will be designated to handle GBV related issues. The project GRMs use various channels (including Internet, SMS, Web-based forms, email etc) for submission of complaints and concerns. Grievance Redress Committees (GRC) have been setup who will receive, record, address, communicate and advice on issues raised by anyone in a timely manner. Periodic reports on GRM issues will be updated to WB Task team.



B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

Relevant. There will be no civil constructions hence the scope for labor influx and associated risk are unlikely. According to the ESS9 provision, ESS2 will be applicable for the entire PKSF. PKSF's Partner Organizations (POs) will hire, train and assign Case Managers, who will counsel undereducated poor beneficiaries and help them determine their aspirations.

The POs will also recruit master craftsmen under whom the beneficiaries will undertake on-the-job learning through informal apprenticeships in microenterprises and who, in turn, will receive certain financial incentives. Trainers will also be employed (who will be from the existing staffs of the POs as well as contracted through training provider organizations) who will provide mandatory 30-hour training and workshop on essential life skills.

POs will also employ their own staffs to conduct outreach program to reach out to intended beneficiaries for their subsequent selection.

The WEWB of MEWOE will also engage Welfare Officers for counselling services and referral to various training and job placement opportunities. WEWB will also hire trainers to train these Welfare officers.

Besides, a number of administrative and operational level staffs/ consultants will be employed by the IAs for project implementation at field levels. The IAs will also employ some of their own staffs under Government payroll who will not be subject to ESS2, except for child and forced labor, health and safety issues.

The present COVID-19 pandemic warrants that guidelines of social distancing, use of protective equipment and sanitation/ hygiene practice are given priority. It must also be borne in mind that the young project beneficiaries are less likely to follow the COVID-19 Protocol provisions and will need continuous monitoring, training, motivation and enforcement to ensure protocols are abided by. Equal opportunity for potential females, vulnerable and the disadvantaged Trainers/Case Managers/Staffs with skills at par, should be given for access to opportunities for employment. Beneficiaries below 18 will not be assigned to jobs/ employment that is hazardous and detrimental to their physical, mental and moral interest.

Provisions of all workers conditions of employment and occupational health and safety issues have also been included in the Labor Management Procedure (LMP) that includes a Grievance Redress Mechanism (GRM) specifically addressing labor needs for raising concerns about the project which will be implemented throughout the project.

ESS3 Resource Efficiency and Pollution Prevention and Management

Relevant. The risk of environmental pollution may emanate from project beneficiaries including funded microenterprises generating pollution (air, water, land, construction and wastes) through their funded endeavors. To mitigate, a screening criteria and exclusion list have been developed to ensure that no microenterprises or entrepreneurs' business that may potentially impact the environment significantly are funded by the Project. Further,



some of the low-polluting, environmentally friendly business practices in the Sustainable Enterprise Project (SEP)-supported microenterprises can be mainstreamed into the entrepreneurship training package of RAISE's Component 2. Businesses/ entrepreneurs adopting water and energy efficient practices have been given preference in the eligibility and screening mechanism.

ESS4 Community Health and Safety

Relevant. Environmentally polluting businesses/ endeavors by beneficiaries/ microenterprises may raise community health and safety issues. Further, though GBV risk rating is Low as per GBV risk assessment, the possibility for GBV/SEA concern cannot be completely ruled out for women beneficiaries applying for the project or undergoing apprenticeship under male mentors. Further, training/working in close proximity in COVID-19 situation may sometime compromise the social distancing requirement. These risks can be managed by adjusting the design of the curricula in Component 2 to include appropriate environmental and climate-friendly best practices, awareness on SEA/SH issues, and the screening and eligibility criteria developed in the ESMS and the exclusion list. Project GRM under the Stakeholder Engagement Plan (SEP) includes specific provisions to address issues related to SEA/SH. Social distancing, awareness raising on COVID-19 issues, maintenance of WHO guidelines during implementation will also be adopted. Given the young beneficiaries potential for not adhering to rules and regulations, continuous motivation, practice, training and behavior correction interventions will be required at frequent intervals.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not Relevant. Given the information available at the moment, the project is not likely to require any land acquisition or cause any restrictions to land use and involuntary resettlement.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant. The project may affect biodiversity and/ or living natural resources in case project funds businesses/ natural resource based enterprises that uses timber/wood-based fuel, fishing, farming etc. PKSF's ESMS has provisions through screening and negative list to exclude activities that may adversely affect biodiversity, habitats and living natural resources.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Not Relevant. Given that the project will be implemented in urban/ peri-urban setting and will also involve returnee migrants, it is unlikely that small ethnic minorities present in the project areas meeting the criteria mentioned in ESS7 will be affected.

ESS8 Cultural Heritage

Relevant. ESS8 is relevant in case the project finances activities that may potentially use tangible and non-tangible cultural heritage for commercial purposes. If a subproject intends to use cultural heritage of any project affected parties (including individuals and communities) for commercial purposes, it will inform the project affected parties of: (a) their rights under national law; (b) the scope and nature of the commercial development and the potential



impacts; and (c) the potential consequences of such development and impacts. The subproject will not proceed with such commercial use unless it: (a) carries out meaningful consultation with stakeholders; (b) provides for fair and equitable sharing of benefits from commercial use of such cultural heritage, consistent with customs and traditions of the project affected parties; and (c) identifies mitigation measures according to the mitigation hierarchy.

ESS9 Financial Intermediaries

Relevant. Under this project, PKSf (acting as a Financial Intermediary) will be responsible for providing capital to their selected Partner Organizations (PO) functioning as participating Financial Intermediaries (PFIs), which in turn will provide microcredit and stipends to project beneficiaries and provide training and apprenticeship. POs/PFIs are selected under the project based on their governance and management structure, personnel capacity (including trainer), linkages to microenterprises, and financial viability. The POs of PKSf are both registered as NGOs and MFIs. The project will fund specific credit line (clearly defined subprojects) for PKSf and not for a general purpose, therefore ESF applies to WB financed RAISE Project specific interventions only not to all PKSf's portfolio.

PKSf's existing ESMS consists of an Environmental Management Framework, a Social Management Framework, Service Rule, a Gender Policy and a Sexual Harassment Policy which have already been in place and are being used by PKSf in various projects. The World Bank team has carried out an ESMS assessment. The Social Management Framework (SMF) includes objectives and principles in assessing and managing social risks and impacts including land issues, inclusion of women and vulnerable, indigenous people issues, guidelines for gender and monitoring etc. The SMF also has a checklist and screening guidelines to exclude activities that will be socially detrimental. Policy on stakeholder consultation, grievance redress measures including grievance register pathways are also appended in the SMF. The Environment Management Framework (EMF) contains objective and principles of assessing and managing environmental risks and impacts, details of environmental assessment procedure including screening guidelines and checklists. It also includes environmental monitoring and training activities, a negative/ exclusion list of activities not to be funded by PKSf, procedures and formats for developing mitigation measures.

PKSf's service rule consists of employment policy, definition of various types of workers and employees, recruitment process, administrative process (leave, salary, provident fund entitlement etc). It also includes a grievance redress mechanism, code of conduct, interaction standards with female employees and disciplinary measures. It lacks OHS measures, details of employment of child, forced and trafficked labor as well as scopes to form labor organization. As per ESF, ESS2 provisions are binding upon whole PKSf.

The Gender policy illustrated objectives and principles of gender inclusion, equality and equity in professional assignments and benefits, process of creating a gender-friendly atmosphere, codes of conducts and a monitoring mechanism. PKSf's sexual harassment policy describes definition of various forms of harassment, creation of a gender-sensitive environment, safety and security protocol, grievance redress mechanism and procedure, and disciplinary measures.

Based on the review, the following gap filling measures have been identified. The major recommendations include (i) Develop a ES policy statement to assess and manage ES risks and impacts endorsed by the senior management; (ii) Enhance the capacity of the Environmental and Climate Change unit by recruiting additional Environmental and Social specialists (which may include gender/GBV specialist, climate change specialist, waste management specialist,



biodiversity specialist, labor law expert, occupational health and safety specialist, stakeholder engagement specialist, field researchers); (iii) Develop training policy and training plan for staffs on E&S issues and develop a complete training manual/ curriculum including audio visual presentations; (iv) Clear description of relevant national laws and their adoption in the ESMS; (v) Align the risk categorization system of existing ESMS for both environmental and social risks with national/ ESF risks rating (four instead of three); (vi) Detail description of reporting requirement, channel and frequency of reporting and person responsible; (vii) Develop a beneficiary screening mechanism and format including women, people with disability and the vulnerable; (viii) Develop OHS measure as per Good International Industry Practices and employment of child between 14 to 18; (ix) Develop measures to address formation of labor/workers/employee organizations (x) Develop a guidance for legal agreement structure between the PKSf and its POs/ participating FIs, legally binding POs to adopt the ESMS. PKSf’s updated ESMS will thus consist of ES Policy, procedure to assess and manage ES risks and impacts reflected in Environmental and Social Management Frameworks (EMF and SMF), organizational capacity and competence reflected in HR policy, monitoring and reporting and stakeholder engagement policy.

PKSF will be responsible for oversight of PFIs and ensure that they identify, assess, manage and monitor any ES risks emanating from their activities. PKSf will have a legal agreement with the selected PFIs/POs so that PKSf’s ESMS is legally binding upon them to adopt and follow. PKSf also will ensure that each PFIs/POs have a staff dedicated to oversee its ES activities, monitor and report on the same. All FI subprojects will be screened against the exclusion/negative list. RAISE FI Subprojects are either low or moderate risk in nature and this will be further ensured by screening out any substantial to high risks sub-projects. The sub-projects will be prepared and implemented in accordance with relevant E&S national and local laws and regulations.

B.3 Other Relevant Project Risks

Given the existing state of COVID-19 situation, lack of accessible and relevant health facilities, the project will need to be implemented under specific protocols. Self-isolation has become a common phenomenon. These already have given rise to the price hike of essentials, travel restriction, social tension and rumors. Beneficiaries training/ working in close proximities of the microenterprises/ training classes/Welfare Offices will have to follow social distancing protocols and be given adequate protective gears.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED	TIMELINE
ESS 1 Assessment and Management of Environmental and Social Risks and Impacts	

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<p>PKSF to recruit an Environmental Specialist (ES) – responsible for addressing environmental risks/impacts, environment related occupational health and safety issues as well as waste management issues and a Social Development Specialist (SDS) – responsible for addressing risks associated with social issues (labor, gender, OHS), and for monitoring and ensuring application of COVID-19 protocol.</p> <p>WEWB, MEWOE to recruit a Social and Environmental Specialist (SES).</p>	05/2021
<p>WEWB ESMF prepared and disclosed.</p>	09/2020
ESS 10 Stakeholder Engagement and Information Disclosure	
<p>IAs have developed a Stakeholder Engagement Plan (SEP) detailing ways, means and channels to communicate with the stakeholders including provision of a Grievance Redress Mechanism (GRM) to raise concerns about the project.</p>	09/2020
ESS 2 Labor and Working Conditions	
<p>IAs have developed an LMP that includes provisions of safe and secured working conditions, conditions of employment, provisions of child and forced labor, equal opportunity fundamentals as well as a grievance mechanisms for workers.</p>	09/2020
<p>Establish, maintain, and operate a GRM for the Project which will include issues of Project workers, as described in the LMP.</p>	04/2021
<p>Prepare, adopt, and implement occupational, health and safety (OHS) measures specified in LMP, especially measures related to mitigating COVID-19 risks.</p>	05/2021
ESS 3 Resource Efficiency and Pollution Prevention and Management	
<p>In addition to exclusion list in ESMS, the operation manual specifies that any sub-projects with substantial and high ES risks will be ineligible.</p>	05/2021
ESS 4 Community Health and Safety	
<p>Both technical and life skill training curriculum will include awareness on SEA/H issues. PKSF ESMS includes screening criteria for adherence to appropriate standards. Project GRM under SEP includes specific provisions to address issues related to SE</p>	05/2021
ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	
ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources	
<p>The ESMS and operations manual put in provisions through screening and negative list not to adversely affect biodiversity, habitats as well as promote sustainable management of living natural resources by natural resource-based enterprises.</p>	05/2021

Public Disclosure



ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	
ESS 8 Cultural Heritage	
The ESMS and operations manual put in provisions through screening and negative list not to adversely affect any cultural heritage as well as a chance find procedures.	05/2021
ESS 9 Financial Intermediaries	
PKSF will update its ESMS according to the recommendations made under ESS9 above.	05/2021

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

Areas where “Use of Borrower Framework” is being considered:

Borrower’s Framework will not be used for the project as a whole, but the low and moderate risk sub-projects will apply national laws, as is mentioned in ESS9. For subprojects which involve resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Small Ethnic Communities or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will apply relevant requirements of ESSs.

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: People's Republic of Bangladesh

Implementing Agency(ies)

Implementing Agency: Wage Earners Welfare Board

Implementing Agency: Palli Karma-Sahayak Foundation (PKSF)

Implementing Agency: Wage Earners Welfare Board

Public Disclosure



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VI. APPROVAL

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