



Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 23-Nov-2020 | Report No: PIDA28612



BASIC INFORMATION

A. Basic Project Data

Country Bangladesh	Project ID P167506	Project Name Accelerating and Strengthening Skills for Economic Transformation	Parent Project ID (if any)
Region SOUTH ASIA	Estimated Appraisal Date 26-Nov-2020	Estimated Board Date 15-Mar-2021	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) People's Republic of Bangladesh	Implementing Agency Technical and Madrasha Education Division of Ministry of Education	

Proposed Development Objective(s)

The Project Development Objective is to equip Bangladeshi youth and workers, including women and the disadvantaged, with skills demanded for the future of work and improved employment prospects.

Components

- Component 1: Transforming Formal Skills Development for Future of Work, Inclusiveness, and Resilience
- Component 2: Innovative Skills Development Programs for Employment and Empowerment
- Component 3: Capacity Development, Project Management, Social Marketing and Monitoring & Evaluation
- Contingent Emergency Response Component

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	500.00
Total Financing	500.00
of which IBRD/IDA	300.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	300.00
IDA Credit	300.00

Non-World Bank Group Financing

Counterpart Funding	200.00
Borrower/Recipient	200.00

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Bangladesh has made rapid social and economic progress in recent decades, reaching lower-middle income status by 2015.** Gross domestic product (GDP) growth averaged close to 6 percent annually since 2000 and, according to official estimates, accelerated to over 8 percent in FY19. Strong labor market gains contributed to a sharp decline in poverty, with the national poverty rate falling from 48.9 to 24.3 percent between 2000 and 2016, while extreme poverty declined from 34.3 to 12.9 percent.¹ However, the pace of poverty reduction slowed in recent years even as growth accelerated, particularly in urban areas and in the west of the country. Similarly, the progress on shared prosperity slowed between 2010 and 2016 after a decade of improvements, with annual consumption growth of the bottom 40 percent trailing that of the overall population (1.2 versus 1.6 percent). Bangladesh entered the COVID-19 crisis with a relatively strong macroeconomic position. Garment exports and remittances narrowed the external deficit in recent years and international reserves were adequate at the end of April 2020 at US\$32.9 billion, equivalent to six months of imports. While tax collections are amongst the lowest in the world, under-execution of the budget has contained the fiscal deficit, which has been below 5 percent of GDP since FY01. As a result, public debt is low and stood at 33.7 percent of GDP at the end of FY19. A key economic vulnerability is in the banking sector where the non-performing loan (NPL) ratio is high at 9.3 percent of outstanding loans in December 2019, and

¹ Household Income and Expenditure Survey, 2000/01 through 2016/17.



is underestimated considering significant under-provisioning, regulatory forbearance, and gaps in the legal framework.

2. Growth declined sharply as the COVID-19 pandemic brought about major disruptions to economic activity. In the first half of FY20 (July to December), growth decelerated as slower global trade and deteriorating external competitiveness lowered exports and tighter access to finance constrained private investment growth. With declining ready-made garment (RMG) orders, exports declined by 5.8 percent (y-o-y) during this period. A sharp contraction in capital goods imports (3.4 percent, y-o-y) suggests private investment also declined. Growth during the first half of the year was primarily supported by remittance-fueled private consumption. The initial phase of the pandemic in early 2020 disrupted the supply of intermediate goods from China, reducing manufacturing output. As the pandemic intensified abroad, export orders from Europe and the United States declined precipitously, and an estimated US\$3.2 billion in RMG orders were cancelled or suspended.² The government implemented a national shutdown from March 26 to May 30 to control an accelerating domestic outbreak of the virus. Control measures resulted in a sudden stop of many components of the service and industrial sectors. Remittance inflows declined by 23.6 percent year-over-year in April 2020, and exports declined by 82.9 percent in the same period. In FY19, inflation remained modest at an average of 5.5 percent, primarily driven by a rise in non-food prices. Demand for food surged with precautionary purchases ahead of the national lockdown but has eased more recently as government food distribution programs were implemented. Overall inflation reached 5.4 percent y-o-y by the end of May 2020.

3. COVID-19 has darkened the economic outlook through domestic economic disruptions, declining exports and remittances, and rising stress in the financial sector. FY20 GDP growth is projected in a range between 1.6 percent and a downside scenario of 1.0 percent. The downside forecast is based on a situation in which (i) lockdown measures are extended and mobility remains significantly constrained and (ii) the global outlook deteriorates further. In FY21, growth is projected between 1.0 and -3.0 percent. In the downside scenario, a second round of infections and a prolonged global recession would result in the realization of some contingent liabilities, especially from the financial sector. The extended national shutdown is likely to depress economic activity across all sectors in the last quarter of FY20, and varying levels of control measures are likely to continue in FY21. Private consumption, the main engine of growth, is expected to slow and declining remittance inflows reduce household income. The unprecedented uncertainties related to COVID-19 are likely to further dampen private investment. The decline in exports is expected to persist, as developed market recessions depress demand for ready-made garments, Bangladesh's primary export. A shortage of intermediate inputs is expected to lower industrial production, while labor shortages could adversely impact all sectors. Transportation disruptions are expected to dampen agricultural growth, particularly the production of perishable products like dairy, poultry, and vegetables. The recovery is expected to be very gradual, with ongoing economic disruptions and increasing fragilities in the banking system. In the medium term, a gradual recovery in growth is expected, with some increase in export demand and higher public spending.

4. Bangladesh is extremely vulnerable to the effects of climate change. The Global Climate Risk

² Bangladesh Garment Manufacturers and Exporters Association (BGMEA), as of May 22, 2020.



Index ranks Bangladesh as the world's seventh most affected country over the period 1999-2018.³ Rising temperatures leading to more intense and unpredictable rainfalls during the monsoon season and a higher probability of catastrophic cyclones are expected to result in increased tidal inundation. It is estimated that a one-meter rise in sea levels would submerge 18 percent of arable land in coastal areas⁴. Recent studies estimate that by 2050 Bangladesh could have 13.3 million internal climate migrants⁵. Additional rural-urban migration would have significant consequences for air and water pollution and the unsustainable consumption of natural resources while putting additional pressure on urban labor markets. The project will aim to address climate risks to contribute to sustainable economic development of the country.

5. **Bangladesh's industries are embracing new technology solutions more than ever.** Bangladesh is increasingly integrated with the global economy, and new technologies are making inroads into the country. New industrial automation machines are coming into the factories, reducing the need for manual works, and improving labor productivity. The COVID-19 pandemic may well be accelerating the trend. Manufacturing industries such as ready-made garment (RMG) place more importance on the adoption of new technologies to cope with higher quality standards and competitive global market. Information technologies have been leading the charge in innovation and technology transformation in Bangladesh.

6. **Bangladesh's female labor force participation has risen substantially; yet, job opportunities and quality of jobs for females are still lagging⁶.** There have been remarkable improvements in female labor force participation made in Bangladesh, raising from 26 percent in 2002 to 36 percent in 2016. Yet, by comparison, male labor force participation is much higher at over 80 percent. Moreover, the improvement in female participation rates has hit a plateau at around 36 percent. This gender disparity can be attributed to structural barriers, pervasive social norms, and a lack of a supportive policy environment⁷. Moreover, female employment tends to be more concentrated in low-paid and low-productivity occupations, which are more vulnerable to technology innovation and automation in the production process⁸.

Sectoral and Institutional Context

B.1. Bangladesh's labor force struggles with low-productivity and skill-gaps, and suffered significant disruptions from the COVID-19.

1. **Low skills attainment leads to low labor productivity of Bangladesh, putting its economic recovery and acceleration at risk.** In Bangladesh, only 2.1 percent of the population have any vocational training

³ Germanwatch (2020) *Global Climate Risk Index 2020*

⁴ UNFCCC (2007) *United Nations Framework Convention on Climate Change*

⁵ World Bank (2018) *Groundswell: Preparing for Internal Climate Migration*

⁶ Labor Force Survey, BBS 2010, 2016/17

⁷ Structural barriers including women's domestic burden, sex segregation in educational subject and occupation, employer discrimination, restricted mobility, limited access to trainings, lack of female friendly facilities, sexual harassment at work, limited childcare provisions.

⁸ Raihan, S., & Bidisha, S. H. (2018). Female employment stagnation in Bangladesh. Dhaka.



outside of the formal schooling system resulting into low labor productivity. The value-added per worker in Bangladesh is only 35% of the LMIC average and trails all South Asia countries except Nepal. Despite the robust economic growth in all the main sectors, total factor productivity gains have been modest at 0.7% between 2003 and 2015⁹. Furthermore, the informal sector employs around 86 percent of the workforce in Bangladesh. Labor productivity of the informal sector is only one-sixth of the formal sector¹⁰. The low productivity is weakening economic and job growth in the face of global competition and technology changes. Job creation in manufacturing had slowed in recent years, and women and youth have been affected most by this slowdown¹¹. Bangladesh Jobs Diagnostic (2017) identifies the *labor market and skills* as one of the three policy domains to achieve faster job creation, better quality jobs, and equitable access to jobs.

- 2. The pandemic has disrupted millions of works, and the damage has been particularly severe for female workers.** The COVID-19 lockdown wiped out labor market gains made over the past decade. Garment factories laid off more than one million garment factory workers – many of them are female workers from rural low-income families and now risking falling back into poverty. The pandemic imparts a disproportionately negative impact on women as many female workers are in low skilled jobs in the informal sector. Informal employment, usually a safety net to cushion the impact of economic crises, is also not spared as people’s mobility was restricted. The effects of the lockdown and economic disruptions have hit low-income youths particularly hard in the current wave of job losses and collapse of small businesses¹², especially in sectors such as hospitality, retails, and transport. Many migrant workers in the Middle East, where the COVID-19 hit hard, will be laid off and returning to the country as unemployed.

B.2. Economic and job recovery demands massive skilling and re-skilling for new skills demands and future of work

- 3. Growth and job creation scenarios are changing in industry and service sectors due to the pandemic, creating huge demands for skilling and re-skilling.** A range of economic sectors in Bangladesh demonstrated significant growth potential, including export-oriented manufacturing industries, light engineering, construction, shipbuilding, agribusiness, information & communication technology (ICT), hospitality & tourism, and pharmaceuticals¹³. Five million new jobs were created in five years between 2010-2015. Growth in exports, driven by RMG manufacturing, has been a major driving force of the growth of the manufacturing sector, job creation, and poverty reduction in Bangladesh. Moreover, the internet and mobile technologies have created numerous ICT enabled jobs, including many female ICT professionals. Bangladesh has the world’s second-largest pool of online workers, who earned the 8th largest revenue in 2019¹⁴. Remittances from overseas labor markets were also increasing steadily, and skilled migrants earn significantly more. However, the pandemic upended such growth scenarios¹⁵.

⁹ Jobs Diagnostics Bangladesh (2017). Productivity is measured as valued added per worker.

¹⁰ According to ADB & BBS, 2010

¹¹ Partly due to slower job growth in RMG sector, female labor force participation has not grown in recent years (labour force surveys).

¹² ILO. (2020). ILO Monitor: COVID-19 and the world of work. Fourth edition.

¹³ USAID. (2018). Bangladesh Comprehensive Private Sector Assessment. Around 15 sectors are often listed as priority sectors in various industry development strategies.

¹⁴ Payoneer. (2019). The Global Gig-economy Index.

¹⁵ According to a government study, the hardest-hit industries are (a) Garment, Leather Goods & Footwear; (b) Tourism & Hospitality; and (c)



Under the pandemic, those once thriving industries are adjusting their business models to the new reality and attempting to find new business opportunities. Such economic transformation requires re-skilling of workers and the unemployed at an unprecedented scale. Skills development has an extremely important role in providing these industries with new skills needed for new business modalities, technologies, and opportunities; and skills demanded by these industries must be provided swiftly and timely to support the critical juncture of transition and jump starting the recovery. The pandemic also created renewed demands for certain occupations such as care givers and ICT professions, which are needing focused skilling programs. Small and Medium Enterprises (SMEs) have also been badly hit because of the pandemic. Around 20 million out of the 60 million people working in the informal sector are temporarily jobless, leading not only to loss of income but other social risks and disempowerment of youths¹⁶. Skills development is urgently needed to build back the livelihood of affected vulnerable populations.

4. **Technology adoption at enterprises is accelerating even more in the post-COVID-19 era, and it is imperative for youths to skill up to remain competitive and employable.** Enterprises in Bangladesh, especially in manufacturing industries¹⁷, are increasingly becoming technology-driven. A study estimates that 40-60 percent of jobs in the garment, furniture, and agro-processing industries are at the risk of automation, and female workers and less well-educated workers are more susceptible to automation¹⁸. Enterprises demand workers to have abilities and skills to adapt to such technological disruptions at the workplace. It is widely expected that the COVID-19 pandemic will only accelerate such technology adoption as technologies would reduce the risks of infection and other business management complexities. Workers who lack skills for new technologies will be significantly more vulnerable and less employable in the post-COVID-19 environment.

B.3. Skills Development is a Top National Priority for Bangladesh to Accelerate Growth and Technology Adoption; and the Bank-supported Operations have been Making Substantial Contributions.

5. **The Government of Bangladesh (GoB) has made skills development, inclusive of women and the disadvantaged, a top national priority.** The government's Seventh Five Year Plan (7FYP) for FY16-FY20, draft 8FYP and SDGs action plan have identified skills development as one of the growth drivers of the economy through the enhancement of the quality of labor force. The 7FYP strives to raise productivity by stimulating the accelerated adoption of new technologies and the widespread application of digital technologies and ICT. The 7FYP's skills development strategy calls for quality and diversified skills training programs with more participation of women and more significant private sector initiatives. Government's demand-stimulating instruments such as poverty-targeted scholarships and tuition support have increased the participation of disadvantaged groups and reduced the gender gap¹⁹.

Construction. Though some factories have reopened, more than half of 4.1 million garment workers were furloughed.

¹⁶ a2i. (2020). Post-COVID-19 Jobs and Skills in Bangladesh.

¹⁷ high-level technical and managerial skills are in strong demand in booming/emerging sectors, including garment, leather, construction, ICT, ceramic, tourism & hospitality, furniture, transport, light engineering, etc.

¹⁸ A2i programme. (2016). Future Skills: Finding Emerging Skills to Tackle the Challenges of Automation in Bangladesh.

¹⁹ For example, stipends for poor and female students helped increase female participation in technical diploma programs from less than 5 percent in 2010 to 14 percent in 2017, according to Employability of Post-Secondary TVET in Bangladesh, World Bank 2018; Bangladesh Tertiary Education Sector Review, World bank 2018.



6. **The World Bank supported Skills and Training Enhancement Project (STEP) (2010-2019) and Northern Areas Reduction of Poverty Initiative (NARI) (2012-2018) made significant contribution to skilling of youths.** The Ministry of Education (MoE), together with the Ministry of Expatriate Welfare and Overseas Employment (MoEWOE) and Ministry of Industry (Mol), successfully implemented the STEP project under an innovative multi-ministerial arrangement, achieving the overall outcome rating of ‘*Highly Satisfactory*’ by the Independent Evaluation Group (IEG) evaluation. The STEP enhanced teaching and learning environments in TVET institutions through grants programs, improved market relevance and graduate employability of TVET, piloted a public and private partnership (PPP) for industry-based training programs, and improved access and equity in TVET for female students and students from disadvantaged households. The NARI project promoted access to employment for women from lagging areas in the Ready-made Garments (RMG) sector, focusing on a particularly vulnerable group of impoverished and marginalized women with little to no education. It was implemented under the Ministry of Labor and Employment (MoLE) and the Bangladesh Export Processing Zones Authority (BEPZA).

B.4. Skills Development in Bangladesh has Grown but Faces Significant Challenges on Demand and Supply Sides, and Now It Has to Nurture Resilience through Online/Blended Learning.

7. **Despite the recent improvement, the skills development eco-system still faces a range of capacity constraints and needs substantial upgrading to adapt to technological changes.** After decades of underinvestment in the past and recent rapid quantitative expansion, a range of critical gaps persists in and between different segments of the eco-system. Moreover, as it is difficult to predict the course of technological changes beyond the short-term, the skills development system needs to be agile and adaptable. The COVID-19 crisis led to the closure of all TVET institutions that lack infrastructure and capacity for online teaching and where students tend to come from a low-income background. Key bottlenecks of the skills development eco-system are summarized below:

A) Inadequate but growing industry partnership and private sector participation: The skills development sector is still at a nascent stage to mainstream effective industry partnerships. In TVET institutions, until recently, only a selected few polytechnics had formal industry partnerships. There has been early successful experience in piloting and expanding enterprise-based skills training with promising potential benefits to both workers and employers. Enterprises are facing challenges to invest in skills training because of a lack of capacity and risk of staff turn-overs²⁰. Public and private partnership would be useful to incentivize them.

B) Inadequate service delivery capacity: First, there are capacity constraints for training content development, revision, and transition to a competency-based system. Second, the institutions are struggling with limited modern teaching equipment, weak ICT facilities, and insufficient teacher training.

²⁰ A tracer study on polytechnic graduates by the World Bank (2018) found that only 14% of wage employed graduates have received on-the-job training after joining the firm.



Third, the sector has a lack of capacity for quality assurance. The National Technical and Vocational Qualification Framework (NTVQF) are in limited use. Graduate tracking and employer feedbacks are rare.

C) Low relevance of attained skills: Around 80 percent of employers find graduates' problem-solving skills and practical skills inadequate²¹. Recent studies show that soft skills and socio-emotional skills are as equally important as cognitive skills, but graduates are not adequately equipped with those skills. Poor work ethics is among the top five constraints for business growth in Bangladesh²². Such skills gaps are likely to weaken employability.

D) Unequal access to training opportunities: With gender parity index on 0.38 for TVET²³, getting skills training is particularly difficult for female workers due to various socio-economic factors²⁴, including lack of institutions close to their homes, non-conducive learning environment, non-availability of female-friendly courses²⁵, relatively high study costs, and the image of male-domination. Teaching and learning environment based on limited awareness on gender issues may create a less welcoming environment for female students. Also, poorer and informal segments of the workforce, who are struck hardest by the lockdown, have much lower exposure to skills training²⁶. Few of small-size companies offer training to their workers²⁷, and formal TVET excludes less well-educated youths. In Bangladesh, around 3.2 million working age people with disabilities lack the skills necessary to find employment, largely as a result of lack of information and appropriate facilities on skills training²⁸. While ethnic minorities account for almost 2 percent of the country's population, only 2.63 percent of them are skilled workers and over 80 percent have either no or very limited skills training, largely due to language barriers, negative biases and lack of communication²⁹.

E) Weak sector coordination, management, and analysis capacity: There is fragmentation in the skills development system as 22 ministries are involved in skills training in a variety of ways but operate with minimal coordination. Labor market information is far from adequate and not well connected with job seekers and training providers. National Skills Development Authority (NSDA), an apex coordination body for all the skills initiatives, and Industry Skills Councils (ISCs), a platform for private sector participation, are yet to be fully functional.

²¹ World Bank. (2018). Employability of Post-Secondary TVET in Bangladesh

²² The World Economic Forum Business Opinion Survey

²³ World Bank. (2017). Breaking the Glass Ceiling: Challenges to Female Participation in Technical Diploma Education in Bangladesh.

²⁴ World Bank. (2018). Bangladesh Skills for Tomorrow's Jobs; World Bank. (2017). Breaking the glass ceiling.

²⁵ Female trainees/graduates are usually concentrated in a few priority sectors and a review of the list of programs under the Directorate of Technical Education (DTE) shows that there is little skills training offered in emerging industries and services (World Bank, 2017).

²⁶ Only 1-2 percent of workers in the bottom two income quintiles received training over the year according to Bangladesh Jobs Diagnostics (2017).

²⁷ Enterprise survey: Bangladesh (2013).

²⁸ Disability Inclusion in Bangladesh Skills System, ILO 2016

²⁹ Skill and Employment Baseline Assessment of Indigenous and Tribal Peoples in Bangladesh, BIDS 2016



8. **F) Resilience of TVET system:** TVET sector needs to develop online training delivery capabilities to ensure continued education service while schools are closed – and to leapfrog on the digitalization agenda. Emphasis on practical hands-on learning, the hallmark of skills development programs, makes the shift to the online mode of service delivery uniquely complicated. In most cases, blending online classes and hands-on learning would offer balanced solutions. There have been some pilot initiatives for blended learning platforms. Under the lockdown, DTE has initiated the live streaming of online lectures of polytechnics courses. Significant gaps remain to be addressed to establish reliable online training delivery systems, including the availability of digital equipment and connectivity.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

The Project Development Objective is to equip Bangladeshi youth and workers, including women and the disadvantaged, with skills demanded for the future of work and improved employment prospects.

Skills demanded for the future of work refer to (i) skill areas for emerging occupations in priority areas identified by training providers; and (ii) skill areas identified by industry partners in their sectors.

The disadvantaged groups refers to people who face significant social or economic vulnerabilities, such as (i) people with disabilities (PWD); (ii) ethnic minorities; (iii) transgender; (iv) less well educated (education attainment below grade 8); and (v) workers/potential workers of micro-enterprises (informal sector workers), especially those who became unemployed due to COVID-19.

Key Results

The PDOs will be measured by the following outcome level indicators:

1. Employment rates of graduates from project-supported short courses (% for female)
2. Employers' satisfaction level with the skills of graduates from project-supported diploma programs
3. Total number of vulnerable women and disadvantaged employed (trained, as a sub-indicator) (% female, PWD)
4. Total number of trainees trained for skills needed for future of work (% of female)



D. Project Description

The project focuses on three cross-cutting drivers of change, *Fit-Lift-Shift*, to build a more skilled labor force aligned with the future of work and inclusive of women and disadvantaged groups to accelerate economic recovery and modernization in priority sectors. The project will aim at (i) equipping youth and workers with skills that *fit the future of work* and lead to better employment prospects, and connecting them with the labor market more efficiently, (ii) *lifting* the skills and job outcomes for *women and the disadvantaged* groups, and (iii) *shifting skills system* to be responsive and inclusive (see Theory of Change for how the three pillars drive changes across components). The project will also focus on priority industry sectors that contribute significantly to economic recovery, economic modernization & diversification, and export competitiveness³⁰. The project will also support climate adaptation and mitigation for its target beneficiaries across components (details in **Annex 2**).

2. The project will leverage a holistic multi-sectoral/multi-ministerial approach to address the critical issues of **fragmentation and coordination of skills eco-system**. Fragmentation and poor coordination are a serious challenge in the sector where different skills agencies are working in silos. More comprehensive and multi-sectoral development projects would be instrumental for encouraging greater harmonization. STEP project successfully operationalized the multi-sectoral implementation mechanism. The project will enhance the multi-sectoral implementation mechanism covering both supply and demand sides of the system under one umbrella.

Component 0: [CERC] – Contingent Emergency Response Component (IDA: US\$0 million; GoB: US\$0 million; Total: US\$0 million)

3. This contingent emergency response component is included under the project to ensure that funds can be allocated in the event of an eligible crisis or emergency.³¹ In the event of such an emergency, this component would allow the Government to request the Bank to re-categorize and reallocate financing from other project components to cover emergency response and recovery costs if approved by the Bank.

Component 1: Transforming Formal Skills Development for Future of Work, Inclusiveness, and Resilience (IDA: US\$170 million; GoB: US\$150 million; Total: US\$320 million)

4. This component will aim to substantially increase and improve the supply of market-relevant skills in the formal skills development sector needed for technology adoption and productivity enhancement in priority sectors. It will also enhance inclusion and outreach to women and the disadvantaged, and implement a dedicated COVID-19 response activity to build the resilience of the TVET sector. Sub-components 1.1 focuses mainly on the supply-side support, while sub-component 1.2 focuses on demand-side support with supply-side strengthening.

Sub-component 1.0: COVID-19 response actions to build resilience in the TVET Sector (IDA: US\$10 million; GoB: US\$10 million; Total: US\$20 million)

5. This sub-component will support diploma-offering institutions and DTE to enhance the resilience of TVET sector in the COVID-19 environment to ensure continuity of learning and prepare for re-opening. This sub-component will support: (a) connectivity and contents development for rolling out online/blended classes of diploma courses; (b) provision of digital devices for disadvantaged students those unable to afford devices; and (c) campaign to prevent pandemic-induced dropouts. This activity will be completed on a fast-track basis to ensure timely response to the COVID-19 crisis.



Enhanced capacity for online/blended teaching is expected to have long-lasting transformational impacts on the teaching-learning practices of polytechnics and build preparedness for future shocks, such as closure of classes due to floods, cyclone or other climate induced disasters. The following areas will be supported:

Table 2.1: Areas of Support to Build Resilience in TVET in Bangladesh

COVID-19 Response Actions		Target	Note
A. Rolling out online teaching			
1	Provision of Digital Devices	Institutions	
2	Teacher Training for Online Teaching & Counseling	Institutions	
3	Broadband Connectivity Grants	Institutions	
4	Digital Lecture Contents Development	BTEB/DTE	
B. Preventing COVID drop-out			
1	Back-to-school Communication Campaign	Students	To be implemented by DTE

Sub-component 1.1: Strengthening graduate employability and inclusiveness of diploma courses for priority sectors (IDA: US\$95 million; GoB: US\$50 million; Total: US\$145 million)

6. This sub-component aims at raising the graduate employability and inclusiveness of long-term diploma-level training programs for priority sectors. A variety of ministries offer diploma courses that supply the cadres of technical professionals for the priority sectors. Building on the institutional grant system operationalized under the STEP project³², the project will provide Institutional Development Grants (IDGs) to support the capacity development of public and private diploma institutions for technical education under the TMED, MoE focusing on courses for the priority sectors. The IDG program will also be extended to diploma institutions for medical technicians, medical assistants and nurses under the Ministry of Health and Family Welfare (MoHFW) to strengthen the health sector’s ability to better handle medical procedures to combat the COVID-19 outbreak and improve the overall quality of medical services. The IDG program is expected to support around 220 diploma institutions (see Table 2.2 below for the expected beneficiaries).

Table 2.2: Estimated Number of Supported Diploma-program Institutions under the ASSET

Type of Diploma Institutions	Relevant Ministries	No. of Institutions (Tentative)		
		Public	Private	Total
Polytechnics, other technical institutes ³³	TMED, MoE	60	40	100
Technical School & Colleges (TSCs)	TMED, MoE	30	10	40
Institutes of Marine Technology (IMT)	MoEWOE	5	0	5
Institute of Health Technology (IHT)	MoHFW	10	15	25
Medical Assistant Training School (MATS)	MoHFW	8	22	30
Nursing College/Institute (Diploma-level)	MoHFW	10	10	20
		123	97	220

Note: (1) ‘other technical institutes’ include Glass & Ceramic Institute, Survey Institute, Graphic Arts Institute, and Textile Institute

³⁰ Priority sectors of the government of Bangladesh usually include around 15 industries, according to the FYP and various industry policies. The project will target six industry sectors as its priority sectors based on economic/employment contribution, growth potential, training capacity, relevance to TVET, ownership for the project, and other DPs presence. The priority sectors for the project would include 1. Garment, Textile & Leather; 2. ICT; 3. Tourism & Hospitality; 4. Construction & Civil; 5. Ceramics; and 6. Light Engineering & Manufacturing. The project will also target the 7. Health sector to promote human capital development and COVID response, and the 8. Overseas Employment Markets to boost manpower export competitiveness and remittance recovery.

³¹ This includes natural or man-made disasters or crises that has caused or is likely to cause major adverse economic and/or social impact during the life of the project.

³² Under the STEP project, a total of 57 diploma institutions were supported through the IDG program. The capacity of DTE and participating institutions to manage the grant program implementation has been developed substantially through intensive training and consistent hands-on support.

³³ Polytechnics academic affairs administered by BTEB of other ministries would be eligible.



7. The IDGs will finance a range of school-based improvement activities for selected courses to (a) upgrade quality/market-relevance of training (e.g., enhancement of teaching and learning environment, refurbishment³⁴ of classrooms, libraries, expanding industry linkages, professional development for teachers and managers, enhancing employer feedbacks and graduate tracking, strengthening employment support services, etc.) (b) improve inclusiveness of diploma courses (e.g., student financial support³⁵, refurbishment of student hostels³⁶, conducive training environment for male and disabled students³⁷, etc.) and (c) enhance resilience (e.g., digital content development, broadband connectivity, equipment for ensuring safe training environment, equipment for climate sensitive “Green Practice”³⁸. The project will also centrally arrange advanced professional development programs for teachers and managers by leveraging international partnerships and other technical assistance projects. The project will prepare an IDG Operations Manual.

8. IDG recipients will be selected competitively based on Institutional Development Plans (IDPs) prepared by eligible institutions. IDPs will provide details of proposed institutional development activities according to the above categories and implementation mechanisms including project management, monitoring, and fiduciary management. IDG recipient institutions will be responsible for ensuring proper procurement and financial management for the IDG funded activities under the guidance and extensive technical support from the project. The project will provide IDG recipient institutions with (a) extensive capacity building training for fiduciary management prior to the disbursement of fund and (b) continuous supervision and hands-on support to enhance practical fiduciary management capabilities. The project may also procure some of the common items and high-value items centrally on behalf of the institutions.

Sub-component 1.2: Expanding Market-Demanded and Inclusive Formal Short-Courses for Priority Sectors (IDA: US\$60 million; US\$30 million; Total: US\$90 million)

9. This sub-component aims to increase the supply of market-relevant technical skills for priority sectors and create equitable training opportunities for female, PWD, and the disadvantaged through formal short-courses. Formal short-courses last typically 360 hours. Bangladesh Technical Education Board (BTEB) and National Skills Development Authority (NSDA) certifies the short-courses to ensure quality and market relevance. The project will support investments for (a) the quality improvement, (b) market-linkage enhancement, and (c) equitable access of the selected BTEB/NSDA/ministry certified formal short-courses (see Table 2.3 for the list of short-course training institutes). This sub-component is expected to train around 180,000 individuals.

Table 2.3: Estimated Number of Eligible Short-course Institutions under the ASSET

Type of Institutions	Relevant Ministries	No. of Institutions (Tentative)		
		Public	Private	Total
Technical Training Centers (TTCs)	MoEWOE	40	20	60
Technical Schools and Colleges	TMED	50	20	70
Industry oriented training institutes*	Mol	4	0	4
Total		94	40	134

³⁴ The refurbishment will ensure: (i) architectural or building changes that enable reduction of energy consumption, (ii) Solar power (concentrated solar power, photovoltaic power) usage, and (iii) Energy efficiency improvement in lighting, appliances, and equipment. More details in Annex 2.

³⁵ IHT/MATS and Nursing institutes suffer from low utilization of intake capacity and lack of student support. IDG fund may be used on a needs-basis to support students in these. The MoHFW will prepare the continuation plan.

³⁶ The design of the hostels should comply fully with gender considerations as per the gender action plan and have universal access considerations and appropriate facilities especially for PWD.

³⁷ This includes training and other activities that promote women’s safety, raise awareness and prevent GBV, and capacity development for dedicated GBV focal persons/counselors/units in the training institutions.

³⁸ Through the Annual Performance Agreement (APA) with DTE, “Green Practice” is ensured in TVET institutions under DTE in areas of recycling, waste management etc, which TVET institutions need to maintain. More details in Annex 2



ote: Industry oriented training institutes of MoI include Bangladesh Industrial and Technical Assistance Center (BITAC), Small Cottage Industries Training Institute (STI), Training Institute for Chemical Industries (TICI), National Productivity Organization (NPO)

10. The project will provide performance-based Per-Trainee Fees (PTFs) to support institution-level improvement activities. This PTF modality for formal short-course providers has been successfully operationalized under the STEP project. The PTFs will cover (i) tuition, (ii) investment in upgrading quality/market relevance of training services (including climate resilient facility and equipment modernization³⁹, curriculum upgrading, teacher training, job placement service, industry partnership, digitization, language labs, safe training environment, etc.); (iii) investment in enhancing inclusiveness (financial assistance for trainees, facilities for PWDs, female trainees, child care, better sanitation, female counselors, etc.); and (iv) investment in resilience (connectivity, digital contents development, etc.). The rate of PTFs will be set higher for female, ethnic minorities and PWD trainees to incentivize equitable intake. The payment of PTFs will be released in three tranches at (i) trainee registration, (ii) training completion, and (iii) reporting of employment outcomes x months later. Eligible institutions will prepare Skills Development Proposals and competitively selected based on the quality of their proposals. The project will develop a Short-Course Operations Manual (SCOM) to describe detailed operational mechanisms. The project will also centrally arrange innovative teacher training programs for short-course institutions.

Sub-component 1.3: Establishing an international standard model polytechnic institute (IDA: US\$5 million; GoB: US\$60million; Total: US\$65 million)

11. This sub-component will support the establishment of a model diploma institution to transform the quality standards of TVET in Bangladesh. This model diploma institute is envisioned to be an international-level high-quality, fully industry-integrated, and inclusive institution, modeled after the diploma and skills training system of Singapore. Internationally reputed institutions of Singapore TVET system will provide technical and management support to develop necessary training delivery capacity, management know-how, and regulatory framework. The institute will be established at a suitable location secured by the government. The facility development or construction under this activity will follow Buildings Act and regulations to ensure climate resilient features that can withstand the impacts of climate change-induced disasters and impacts. The facility will have: (i) architectural features that enable energy efficiency improvement in lighting, appliances and equipment, (ii) Solar power usage, and (iii) Universal Access for PWDs.

Component 2: Innovative Skills Development Programs for Employment and Empowerment (IDA: US\$105 million; GoB: US\$30 million; Total: US\$135 million)

12. This component aims to substantially enhance the job-relevance and inclusiveness of the skills development of Bangladesh through scaling up innovative skills development approaches. Moreover, the interventions under this component will support the industries to regrow their business with supply of skilled labor while creating decent employment opportunities for women and the disadvantaged groups.

Sub-component 2.1: Expanding Enterprise-based Training for Competitiveness and Inclusiveness (IDA: US\$100 million; GoB: US\$0 million; Total: US\$100 million)

13. This sub-component aims to substantially scale up enterprise-based skills program in priority sectors in partnership with industry groups⁴⁰. The partnership will alleviate the market failure that causes the undersupply of skills

³⁹ Resilient to withstand impacts of heavy rains, flood, cyclones etc. More details in Annex 2

⁴⁰ Industry groups are associations of enterprises and employers for the priority sectors, which include Bangladesh Employers Federation (BEF), Industry Skills Councils, and Industry Associations.



aining by employers and enhance inclusiveness of industry-based training. The project will enter into the Public and Private Partnership (PPP) arrangement with selected industry groups. The STEP project has successfully piloted this PPP modality with industry associations with high employment outcomes. The project categorizes industry partners into two main types: (a) formal sector-based competitiveness-oriented partners and (b) informal sector-based inclusiveness-oriented partners⁴¹. Informal sector-oriented industry partners would focus on training that target vulnerable women and the disadvantaged groups.

14. Industry partners will be responsible for designing and implementing skills training programs according to their needs under the overall guidance of the project. Industry partners will also be expected to develop competency standards in collaboration with central accrediting agencies of the sector. Supported industry partners will provide (a) technical training for the unemployed⁴²; (b) apprenticeship program for the disadvantaged groups; (c) upskilling technical training for existing employees; and (d) management training for mid-level managers and supervisors (see Table 2.4 below). Modules on energy efficiency and environmental compliance will be included for relevant industries. Industry partners will also provide awareness-raising programs for employers/managers to stimulate labor demand for the disadvantaged groups, especially about employment of PWD/ethnic minorities. The industry partners will report employment status of graduates three months after the training. This sub-component is expected to train around 220,000 workers.

Table 2.4: Types of Skills Training Programs under Enterprise-based Training of the ASSET

Areas of training programs	Description of training programs
1 Technical training for the unemployed;	A range of technical skills, soft skills, digital skills, foundational skills through classroom-based, firm-based, and dual training with job placement services
2 Apprenticeship training programs	Informal apprenticeship to provide hands-on skills to informal workers and the disadvantaged groups in partnership with micro-enterprises and local groups
3 Upskilling technical training for existing workers	Advanced technical skills for workers to adapt to new technologies to enhance their productivity and value addition
4 Management training for micro-/small-enterprise owners and managers	Training and awareness raising for managers on business management, access to micro-financing, decent and safe work environment, gender-based violence, employment for PWDs, gender equity at workplace, etc.

15. The project will set up two windows for the PPP: (a) Competitiveness Window and (b) Informal sector Window. Identified partners will submit detailed Skills Development Proposals (SDPs) to the project, which describe the details of proposed training programs⁴³. The trainee selection will include specific inclusiveness criteria and actions for women and the disadvantaged group. Many industries/employers are adopting Green Economy initiatives, and climate/environment sensitive business models. This will also be an evaluating criteria for SDPs. The project will verify and approve the SDPs and enter into the Performance-based Partnership Agreements (PBPAs) based on the approved SDPs. The project will provide PTFs to the selected partners. PTFs will finance expenditures for (a) direct costs of training implementation and management, (b) investment in ensuring quality and market relevance (i.e., competency standards preparation, training

⁴¹ For instance, Informal Sector ISC; Light Engineering ISC; Furniture ISC; National Association of Small and Cottage Industries Bangladesh (NASCIB) etc. have substantial networks of microenterprises and informal sector agencies.

⁴² Including language training for ethnic minorities as lack of Bangla language proficiency is one of the major factors for low employment outcome for this group according to a study by ILO and BDS (2016).

⁴³ SDPs would describe training needs identification, training implementation strategy, training capacity development, monitoring, sustainability, safeguard measures, budget, cost-sharing scheme, etc. Details will be spelled out in the Operations Manual.



contents development, trainer training, training equipment, market researches, etc.), (c) investment in improving inclusiveness (i.e. trainees allowance for disadvantaged workers, outreach programs, child care services, etc.), and (d) COVID-19 responses to ensure safe training environment. The PTF payments will be released in two or three tranches based on agreed performance milestones. Furthermore, the project will set up independent evaluation teams to validate the compliance and effectiveness of these enterprise-based training programs to ensure the integrity and accountability and to obtain trainee feedbacks. The project will prepare an Enterprise-based Training Operations Manual (ETOM) to ensure accountable implementation.

Job-component 2.2: Recognizing the skills of informal sector workers (IDA: US\$5 million; GoB: US\$30 million; Total: US\$35 million)

16. This sub-component will aim to enhance the employment/self-employment outcomes and earning levels of formal sector workers through Recognition of Prior Learning (RPL). RPL offers experienced informal sector workers a chance to gain formal recognition and certification on their hard-earned practical skills according to the skills levels in the National Technical and Vocational Qualification Framework (NTVQF). The pilot RPL implementation under the STEP has demonstrated a significant positive impact on workers' confidence and improving employment outcomes. The project will scale up the RPL program and assessment capacity across the country. The project will support (a) the expansion of RPL assessment centers, (b) certification of institutions as Registered Training Organizations (RTOs), (c) development of industry assessors, (d) direct costs of the assessments, and (e) awareness-raising for employers about RPL and NTVQF qualifications. Cost-sharing schemes will be tested to strengthen the sustainability of the program. The project will also explore partnerships with ISCs to outsource part of the RPL implementation and enhance the awareness and ownership of RPL certification among industry stakeholders and employers. Some of the ISCs already conduct RPL assessment and certification services.

Component 3: Capacity Development, Project Management, Social Marketing and Monitoring & Evaluation (IDA: US\$25 million; GoB: US\$20 million; Total: US\$45 million)

17. This component will aim to upgrade the skills development ecosystem in Bangladesh to be adaptable to the changing needs of the economy and more inclusive of women and disadvantaged populations through institutional capacity strengthening of key central agencies. This component will also support project management and fiduciary management for implementation of the project interventions, monitoring and evaluation (M&E) activities, and social marketing interventions, specially focusing on women and disadvantaged group, to enhance social image of TVET education and ensure effective communication and mobilization activities.

Job-component 3.1: Enhancing the institutional capacity of central government agencies of the skills development system (IDA: US\$10 million; GoB: US\$10 million; Total: US\$20 million)

18. This sub-component will strengthen the institutional capacity of key central government agencies for skills development to enhance the knowledge generation, quality and market relevance, market efficiency and coordination, inclusiveness strategies, and resilience of skills development system (see Table 2.5 below for focus areas). The project will support the capacity development of Directorate of Technical Education (DTE); Bangladesh Technical Education Board (BTEB); Bureau of Manpower, Employment and Training (BMET); the industry-oriented agencies of MoI; Directorate General of Medical Education (DGME) and State Medical Faculty (SMF) of MoHFW; and National Skills Development Authority (NSDA). The participating agencies will prepare Institutional Development Plans to lay out their capacity development activities under the respective focus areas. The project will develop a Capacity Development Operations Manual (CDOM) to describe operational details.



19. **Industry Skills Councils (ISCs):** The project will also support capacity development and operation of the Industry Skills Councils (ISCs). Currently, 13 ISCs have been formally established under the private sector-led structure as a platform to bridge the gap between industries demand and skills development system. The project will support selected ISCs for (a) labor market research and forecasting, (b) competency standards development, (c) information system development⁴⁴, (d) industry assessor development, and (e) operational facilities/equipment and technical assistance. The project will enter to partnership agreements with participating ISCs.

Table 2.5: Focus areas of capacity development for central skills agencies

Focus Areas	Possible activities to be supported
1. Knowledge generation and management	Management Information System (MIS); labor market assessments with special focus on gender dimensions; graduate/employer surveys; industry researches; industry intellectual property; etc.
2. Market relevance and quality of training	Private sector engagement; industry linkages, curriculum development & upgrading; competency standard development & upgrading; competency assessment; NTVQF implementation; Quality Assurance system; course development for new trades; strengthening of private training providers with salary subventions, etc.
3. Market efficiency and coordination of training and employment	Employment & job placement services; awareness-raising and communication strategy that are culturally sensitive; skills sector-wide coordination; standardization of certificates & curriculum; monitoring and evaluation; linkage with online job-matching platforms; establishment of <i>Skills Portal</i> to provide one-stop information service; etc.
4. Inclusiveness of training	Policy and training content review on inclusiveness of vulnerable groups and hard to reach populations; situation assessment for inclusiveness; sensitization campaign; gender policies; gender-based violence prevention; etc.
5. Digitization of training and employment services	Online platform for training programs; online skills matching platform; data center upgrading; Digital platform and resources for training programs; learning management system (LMS); connectivity enhancement for institutions; etc.
6. COVID-19 responses	Impact assessments; communication campaign

Sub-component 3.2: Project Management, Social Marketing, M&E (IDA: US\$15 million; GoB: US\$10 million; Total: US\$25 million)

20. **Project Management:** This sub-component will support project management and fiduciary management for implementation of the project interventions, M&E activities, capacity development activities for PMU and key policymakers, social and environmental safeguard supervision, and operational and policy coordination across implementing agencies and partner agencies. The sub-component will also support the communication and mobilization activities to inform beneficiaries and communities about the project activities and receive feedback from the project stakeholders to ensure grievance redress and citizen engagement. A Project Implementation Unit (PMU) will be established DTE, under the leadership of TMED with the deputation of the staff from the partner implementing agencies.

21. **Social marketing:** This activity will aim to improve the social perspective and awareness of skills development,

⁴⁴ Including measures to prevent data loss during climate induced disasters. More details in Annex 2



pecially to women and disadvantaged groups, about the importance, necessity, facilities, opportunities for skills development and future job prospects. This will also include families/communities to address cultural barriers that may prohibit women and disadvantaged groups from accessing training or working in specific sectors. This activity will also target employers’ sensitization about skills development and employment of the disadvantaged groups. Communication and social marketing contents will also include climate risk adaptability knowledge and awareness raising. It will leverage multiple channels of communication, both digital and traditional ones, to reach the critical mass and hard-to-reach groups in the target population. Communication strategies would include conferences, workshops, cultural programs in communities and schools, broadcasting on TVs and radio stations, and dissemination through social media such as Social Networking Service and video sharing services. Skills competition, national and regional job fairs, and placement seminars will be organized by the project in partnership with employer organizations, where institutions will be supported to promote the job matching for technical graduates. Innovative campaigns to promote excellence such as best students, teachers, institutions awards will also be piloted.

22. **M&E:** The project will implement robust M&E activities and M&E capacity development for PMU, key implementing agencies, and institutions. The project will undertake a continuous data collection from all the project implementing entities for the monitoring of implementation progress to inform evidence-based project management. Employer feedback surveys will be conducted to receive feedbacks from employers about the level and relevance of skills of graduates. Beneficiary feedback surveys will be undertaken to ensure regular feedback and monitoring of satisfaction among project beneficiaries. Other evaluation studies will be supported to assess the effectiveness and challenges of key interventions. Third-party verifications will be commissioned to verify the result achievements of industry partners. Graduate tracer surveys will be implemented centrally to assess the graduate employability of short-term and long-term training programs and to triangulate the self-reporting of the employment outcomes by participating institutions.

Legal Operational Policies	
	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

Environmental Risk Rating

Moderate

The environmental risk of the project is rated as “Moderate” considering the project does not envisage any significant or irreversible environmental impact as proposed project activities are largely technical assistance in nature with some infrastructure development within existing footprints and/or premises of existing institutions.



Major tasks with environmental risks and impacts during construction include (i) establishing an international-level model diploma training programs (ii) vertical extension of Department of Technical Education office (iii) rehabilitation/renovation/refurbishment of existing building, classrooms, workshops, and library, (iv) updating and enhancement of workshop and laboratory facilities of public Technical Training Centers (TTCs), (v) construction of female dormitories and /or sanitation facilities at the polytechnics and (vi) Establishment of an automotive research institute under BSEC.

In operation phase, solid and liquid waste will be generated from regular operation and maintenance activities of the constructed/renovated infrastructures. Hazardous waste will also be generated from different laboratories/ workshops/training labs. Besides, medical waste would also be generated from the established medical training institutions. This waste, if not appropriately disposed, has a potential to contaminate soil and water resources, thus negatively affecting community's health as well as natural habitat. Standard lab and workshop safety protocol should be followed (e.g. WHO's Laboratory Safety Guideline) during operation period.

Most of the environmental impacts are construction-related such as generation of noise, vibration, air pollution, liquid and solid wastes and health & safety. Given that the nature of all the referenced activities are small to medium scale and that they will be implemented within existing footprints, impacts are expected to be localized, manageable and reversible. Furthermore, all institutes will be required to offer as part of the training, courses on occupational health and safety, pollution and resource efficiency and climate change as it pertains to the specific trades being covered by the institutes. Moreover, due to special emphasis on digital eLearning, digitization of the learning environment and the up gradation of internet connectivity will substantially enhance the production of e-waste in the long run. The ESMF also includes procedures for screening other sub-projects to be funded under this project and the guidelines for the e-waste management.

As the building sites have not been finalized, an ESMF has been developed with necessary guidelines, screening forms and template ESMP.

Social Risk Rating

Moderate

The project does not anticipate any land acquisition as all civil constructions will be carried on land that are already owned and in possession of the IAs. However, there might be presence of squatters and/or informal businesses on some of the proposed sites, a common phenomenon in Bangladesh, who could be adversely affected from these civil works. But the overall number of such project affected persons are expected to be small. The sites for constructions will be identified only during implementation but all are expected to be located in urban or peri-urban areas. Most of the labor for the civil constructions will be recruited locally and only modest labor influx from outside is anticipated. In all cases, the anticipated risks and impacts will be largely localized, confined within the construction area and these will be mitigated through implementation of appropriate environmental and social management plans.

Notwithstanding the modest scale of labor influx, the project is anticipated to have substantial level of GBV/SEA/SH risks inherent in the training institutes of Bangladesh based on the assessment of the GBV Risk Assessment Tool for Civil Works and also, based on the GBV Risk Assessment Tool for Education (that is currently under discussion). The project will include a number of residential hostels for the



female students and together with the overall academic environment in the education sector, this may expose the female students, teachers and non-academic staffs under the project to greater GBV/SEA/SH risks which could be further impacted in the aftermath of ongoing COVID-19 related lockdown. The project will mitigate the risks with measures identified in the GBV Action Plan. This comprises of a comprehensive approach with both prevention interventions and risk mitigation measures. Prevention interventions include awareness campaigns and capacity building, among others. Mitigation measures include ensuring Codes of Conduct are in place for all stakeholders, having separate GBV GRM to handle complaints regarding SEA/SH for all project actors to address grievances confidentially; ensuring that policies against SEA/SH are instituted in project funded institutions; and, including training modules on SEA/SH in teacher training activities. Both the prevention and risk mitigation measures are grounded on a review of existing policies and mechanisms that are in place in order to support institutional response to GBV/SEA/SH. An implementing NGO/Firm with experience in GBV/SEA/SH will be identified to implement the GBV Action Plan.

A considerable percentage of beneficiaries are expected to come from indigenous communities and as well as from other marginalized and disadvantaged groups. The project's Small Ethnic and Vulnerable Community Development Framework (SEVCDF) provides the necessary guidelines for preparation of area specific plans in designing and delivering project benefits which are appropriate to the needs and cultural traditions of the social groups involved.

Considering the above, the overall Social risk rating of the project is retained 'Moderate', unchanged from the concept stage. However, the GBV/SEA/SH risk is rated 'Substantial' due to having a large number of institutions involved in training programs, which may expose the participants to GBV risks, also explained above. This separate risk rating is made following revised Good Practice Note on SEA/SH as it is no longer requires that the overall social risk rating for IPFs be at least as high as the SEA/H risk.⁴⁵

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:

The main anticipated E&S risks of the project are expected to be low to moderate and of manageable scale. There will be no land acquisition and all civil construction activities will take place on land that is already owned by the IAs. The borrower has prepared an Environmental and Social Management Framework (ESMF) as the specific locations of the project are yet to be identified which will be done during the implementation stage. The main E&S risks identified in the ESMF are as following: (1) displacement of squatters and/or informal businesses living on some of the construction sites; (2) occupational health and safety of project workers including induced risks regarding workplace and community health and safety; (3) noise, vibration, and dust pollution including waste generation and management during construction of civil works; (4) hiring of child labor for civil works; (5) poor labor and working environment; (6) induced risk of gender-based violence from labor employed in the civil works sites and exposure by the female students, teachers and staffs to risks of sexual exploitation and abuse, and sexual harassment in skill development institutions/establishments under the project; and

⁴⁵ The World Bank. 2020. Good Practice Note: Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) in Investment Project Financing involving Major Civil Works (Second Edition).



(7) ensuring culturally appropriate benefits to the indigenous and other disadvantaged communities from the project's various initiatives. As the volume of traffic will be increased, it will increase the possibility of accident. Limiting speed using speed breaker, proper signage will be introduced. The contractor will be responsible for the preparation of the traffic management plan as a part of the Contractor's ESMP.

The ESMF outlines the mitigation, monitoring, capacity building, E&S implementation arrangement and reporting system, and includes the related budget estimates. The ESMF also stipulates E&S screening for all activities and subsequent development of site-specific ESIA/ESMP of civil constructions, if recommended; and for the contractors, prior to mobilization, to prepare the Contractor's ESMP (C-ESMP), to be approved prior to the commencement of the construction activities. The C-ESMP shall include, as relevant, Occupational Health and Safety Plan, Water and Waste Management Plan, Traffic Management and Road Safety Management Plan, Labor Influx Management Plan, Workers Camp Management Plan, Borrow Area Management Plan, Material Sourcing Plan and Site Restoration Plan and Community Health and Safety Plan, among others, as per the requirements of the government laws and rules, and the Bank's standards and guidelines. All these plans will be reviewed and approved by the PIU and the World Bank before any civil constructions start. The ESMF also provides measures to address the Gender-based Violence (GBV) related risks in the project for which a separate GBV/SEA/SH Action Plan is developed following the Bank's Good Practice Note. Relevant E&S clauses will also be incorporated in the 'Bidding Documents' of civil constructions.

While finalizing civil construction plan, refurbishment or repairing of existing establishments, the borrower will take into account the requirements of operation & maintenance (O&M) during the post-construction period and prepare the necessary plans in this regard. The borrower has also developed a Resettlement Policy Framework (RPF) that stipulates provisions for, where necessary, developing site specific Resettlement Action Plan (RAP) along with mitigation and compensation measures for project affected persons affected by the project's interventions. Similarly, ESMF also includes provisions for inclusion of the vulnerable and disadvantaged groups as per the Bank's directives on Disadvantaged or Vulnerable Individuals or Groups which is further complemented by the project's Small Ethnic and Vulnerable Community Development Framework (SEVCDF). The SEVCDF provides the necessary guidelines for preparation of area specific Small Ethnic and Vulnerable Community Development Plans (SEVCDPs) to ensure delivering the project benefits which are appropriate to the needs and cultural traditions of the social groups involved.

Other instruments prepared by the borrower include Labor Management Procedures, Stakeholder Engagement Plan, Resettlement Policy Framework and Environmental and Social Commitment Plan. As the project includes a CERC component, the ESMF maybe updated within 90 days from CERC activation specifically if there are new activities not covered by the existing ESMF. However, a positive/negative list of works, services, non-consulting services and goods eligible for CERC component is included in the ESMF.

During implementation, site-specific environmental and social assessments will be conducted as necessary. These assessments will help adoption of mitigation measures against the environmental and social risks and impacts (through preparation of site-specific ESMPs if required) and address the issues of inclusion, social vulnerability of certain groups, gender and GBV, consultation and



communication strategy and any other issues identified via the assessment and the stakeholder consultations. As part of the assessment consultations with key stakeholders, including vulnerable and disadvantaged communities, will be carried out to identify their concerns and requirements, which will be included in the design of the facilities to strengthen greater support to these population sections. This will also help address potential issues related to Universal Access to project facilities.

ESS10 Stakeholder Engagement and Information Disclosure

The borrower has developed a Stakeholder Engagement Plan (SEP) for the project. It identifies the potential stakeholders which include a broad range of actors (affected parties and other interested parties) relevant to the project such as NGOs, civil society, media, grassroots communities including local communities in the vicinity of construction sites, students, women's groups, parents/guardians, teachers and teachers' association, local government institutions and as well as different government agencies.

The SEP includes detailed schedule of activities and information on the process for engaging the stakeholders. It lays down the stipulations for the borrower to engage in meaningful consultations with all stakeholders throughout the project life cycle paying particular attention to the inclusion of the women, female students, and vulnerable and disadvantaged groups. The SEP also provides guidelines for carrying out consultations during Covid 19 or similar emergency, and in addition, to seek stakeholder feedback and opportunities for proposed future engagement, ensuring that all consultations are inclusive and accessible (both in format and location) and through channels that are suitable in the local context. The SEP, in addition, details the provisions for setting up of a Grievance Mechanism (GM) including specific GM for labor management and GBV/SEA/SH to address cases of grievance in a timely manner and following due process.

Finally, the SEP will be disclosed publicly prior to appraisal along with the other E&S documents, namely, ESMF, RPF, LMPs and SECVDF. The disclosure will also include the Bangla translations of the executive summary of these documents.

E. Implementation

Institutional and Implementation Arrangements

- 9. The project will adopt the successful implementation modality of the STEP project, where Directorate of Technical Education (DTE), Technical and Madrasah Education Division (TMED), Ministry of Education (MoE) will be the lead implementing agency and other ministries will join as partner implementing agencies.** The project will be implemented by the cross-ministry team utilizing the innovative multi-ministerial arrangement that the STEP project successfully demonstrated to deliver highly satisfactory project outcomes. The lead implementing agency, DTE, will be responsible for the implementation of the project activities, and fiduciary management and safeguard compliance for all the sub-components. Three ministries, including (i) Ministry of Expatriate Welfare and Oversea Employment (MoEWOE), (ii) Ministry of Industry (MoI), and (iii) Medical Education and Family Welfare Division



(MEFWD) of Ministry of Health and Family Welfare (MoHFW) will be the partner implementing agencies of the project. The Project Management Unit (PMU) will operate under a shared leadership structure where the Project Director will be from the TMED while the partner agencies will depute officials to join the PMU. The deputed officials from the partner agencies will be responsible for overseeing the specific activities and institutions under their respective ministries and for liaising with their originated ministries. Annex 1 has the detailed implementation arrangements and support plan.

10. **The Lead Implementing Agency, DTE, has developed the robust implementation capacity and fiduciary management capabilities for donor-supported operations and especially for the IDG modality.** The DTE has implemented the STEP project with *Highly Satisfactory* outcome, coordinated effectively across the partner agencies, built the capacity of TVET institutions, and accumulated substantial institutional capacity for sound safeguard and fiduciary management. The Implementation Completion Results report of the STEP project noted a high project management performance demonstrated by the DTE, including the implementation of the IDG program for diploma institutions⁴⁶. The DTE is currently implementing many government-funded development projects and several development partner supported projects.

11. **The project will establish an inter-ministerial Project Steering Committee (PSC), Project Implementation Committee (PIC) and an Advisory Committee.** These committees will be formed as per the government standard structure for projects supported by the World Bank. Detailed Operations Manuals used in STEP will be updated/expanded to guide the implementation of key activities within two months of effectiveness. The operations manuals will be reviewed and approved by the PSC within three (3) months after the project effectiveness.

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⁴⁶ The ICR found that (i) both procurement and financial management teams of the project worked with training institutions to provide hands-on support and training, (ii) other than minor delays with staffing and then actual contracting and documentation, neither procurement or financial management presented significant problems, and (iii) except for a few minor exceptions on unreconciled balances, the IUFs were acceptable to the Bank. Also, the project introduced e-Government procurement in implementing agencies and at polytechnics. The overall rating of the STEP was *Highly Satisfactory* by IEG.



Borrower/Client/Recipient

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