

**REVENUE MOBILIZATION FOR RESULTS: VAT IMPROVEMENT  
PROGRAM (VIP)**

**Government of the People's Republic of Bangladesh**

**PROGRAM FOR RESULTS**

**Environmental and Social System Assessment (ESSA)**

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**THE WORLD BANK**

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## **LIST OF ABBREVIATIONS**

BP	Bank Procedures
DG	Director General
DLI	Disbursement-linked indicator
DOE	Department of Environment
EA	Environmental Assessment
ECA	Environmental Conservation Acts
ECC	Environmental Clearance Certificate
ECOPs	Environmental Code of Practices
ECR	Environment Conservation Rules
EH&S	Environmental Health & Safety
ESA	Environmental Systems Assessment
ESOD	Environment and Social Development Organization
ESSA	Environmental and Social Systems Assessment
GOB	Government of Bangladesh
ICT	Information and Communication Technology
IDA	International Development Association
IFC	International Finance Corporation
IT	Information technology
MIS	Management Information System
MOI	Ministry of Information
NBR	National Board of Revenue
OP	Operational Policy
PAP	Program Action Plan
PDO	Program Development Objective
PforR	Program-for-Results
PIC	Project Implementation Committee
VIP	Vat Improvement Program
WB	World Bank

## EXECUTIVE SUMMARY

The VAT Improvement (VIP) Program intends to integrate, automate the revenue administration and introduce new VAT tax policy to widen the tax base and sustainably raise revenues. VIP will promote the use of Information and Communication Technologies (ICTs) for quality management of taxation and improve transparency and strengthen VAT tax administration services which are sustained through increased resource mobilization. The VIP is supported by the National legal and policy framework of the National Board of Revenue Modernization Plan 2011-2016, the new VAT Law 2012, the National Integrity Strategy of 2009 endorsed by Cabinet in 2012, the Digital Bangladesh policy 2009 and the Right to Information Act, 2009.

In accordance with the World Bank's Operational Policy 9.00, the Bank team carried out Environment and social assessment to review the existing government systems to plan and implement effective measures for environmental and social impact management. Additionally, to determine measures require strengthening, to be included in Program Action Plan.

***The approach and methodology*** covered analysis of information, field reviews, and regional and national consultations with all key stakeholders which was combined with desk review. During the course of assessment meetings were held with government officials in the relevant agencies.

***The key findings*** of ESSA suggest the use of technology will witness a shift from manual management of taxation to modernization through promotion of automation of systems to improve taxation system. Thus the investment will not lead to any social risk. The program does not envisage any civil works. The associated risks are low and overall the Program is likely to have positive impact.

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***The recommendations include*** (i) disposal of the expired ICT equipment through regular training of ICT unit staff and proper record keeping of equipment purchased, reused and auctioned and (ii) enhance transparency and accountability of service providers promote behavioral change to shift from “manually” managed services to “automation”, establish complaint management system and establish monitoring system, and (iii) The program will strengthen the existing system of contact point for complaint management. The complaints will be registered online on the web-portal of NBR and a time bound redressal system will be developed.

## **1. INTRODUCTION**

### **1.1. Background**

The World Bank will support the Bangladesh Government in the project called the VAT Improvement Program (VIP). The objective of VIP is to improve transparency and service delivery, sustained through increased resource mobilization. The VIP will support the VAT administration to use technology to more efficiently deliver tax services, improve governance and comply with their obligations on transparency and proactive disclosure under the RTI Act. The proposed VIP is part of the National Board of Revenue Modernization Plan 2011-2016 and will support the implementation of the new VAT Law which was passed by Parliament in 2012

This operation will support the VAT Improvement Program which aims to promote the use of ICTs to improve tax management. To ensure sustainability of service delivery improvements and the creation of fiscal space, the VIP will strengthen VAT tax administration services. Additionally, the program will support the National Bureau of Revenue's compliance with the Right to Information (RTI) Act. It intends to finance approximately US\$60 million IDA credit from 2014 to 2018.

The main objective of the project is to implement the Value Added Tax and Supplementary Duty Act, 2012 in such a way as to strengthen and modernize the VAT administration in Bangladesh in order to increase VAT revenue and reduce the current VAT compliance gap.

### **1.2. The Scope of ESSA**

An Environmental and Social Systems Assessment (ESSA) was undertaken by the Bank team for the Program as per the requirement of the Bank's Operational Policy OP9.00. The aim of the ESSA was to review the capacity of existing government systems to plan and implement effective measures for environmental and social impact management and to determine if any measures would be required to strengthen them. These measures would be spelled out in a Program Action Plan.

### **1.3. Approach to ESSA**

The assessment team used various approaches to review the environment and social systems that are relevant to the VIP. It included analysis of information and data on GoB on practices of taxation, and regional and national consultations with all key stakeholders.

The data gathered from these multiple sources were processed to allow for triangulation. Regional and National level consultations were organized with stakeholders for feedback on the implementation of provisions to enhance transparency and accountability and other related environment and social issues. One of the key purposes of the consultations was to provide detailed local information and views on experiences with transparency and the delivery of services through technology, from the key relevant stakeholders.

## 2. PROGRAM DESCRIPTION

This operation will support the government's VAT Improvement Program (2014-2018) that aims to raise VAT revenues and transparency, through implementation of a new VAT Law, improved business processes and automation and compliance with the Right to Information Act, 2009 rules on proactive disclosure.

The tax modernization program is intended to integrate, automate the revenue administration and introduce new VAT tax policy to widen the tax base and sustainably raise resources. The tax modernization program of NBR combines tax policy reforms with tax administration improvements, to make taxes simpler to administer with a more efficient and automated process, and therefore less prone to discretionary and arbitrary decision making. The primary focus of the automation of the NBR is to improve services to taxpayers, reduce administrative costs for taxpayers, and improve compliance. The VAT Improvement Program envisages a strong focus on open government relying on ICT solutions to NBR modernization. Towards this objective, the VAT Improvement Program will also address those structural weaknesses embedded in the tax system that result in skewed tax bases and wide opportunities for evasion and corruption. Importantly, VAT Improvement Program will support the strategic reform agenda to enable NBR to fully implement the new VAT law. It will result in increasing the number of active registered VAT taxpayers and the raising the volume of VAT tax receipts by 3 percentage points of GDP. The direct beneficiaries of the VAT tax program include the management and staff of the VAT Wing at NBR and the VAT tax filers and taxpayers who will benefit from improved tax services particularly the ability to register, file and pay on line.

The VAT Improvement Program will have three components: (i) operational modernization; (ii) an Integrated VAT Management System; and (iii) program management, including program coordination and administration and change management. The specific activities supported are:

- Automation and modernization of VAT core functional areas: registration, return processing, tax payment, taxpayer accounting and tax refund, tax audit, revenue arrears management, and dispute resolution.
- Develop and deploy an Integrated VAT Management System, and establish a data center, a centralized processing center and a contact center.
- Institutional strengthening and capacity building program to enable staff to utilize the new integrated VAT system and business processes.
- Program coordination and administration and change management.

The expected results are: (a) staying on track with the rapid and ambitious VAT implementation plan; including the business process changes, ICT procurement and deployment, training, change management and communications activities; (b) increasing in the number of active (registered and filing) VAT taxpayers; and (c) increasing the proportion of taxpayers using on-line services (to register, file and pay their taxes). The primary focus of the automation of the NBR is to improve services to taxpayers, reduce administrative costs for tax payers and improve compliance – through the generation of taxpayer accounts and a system with data that can be used for developing an appropriate audit strategy.

While the VAT Improvement Program envisages a strong focus on the introduction of customized off-the-shelf commercial tax administration software; the DLI's encompass the whole reform program, so that the ICT purchases cannot be considered an end in themselves. Instead the ultimate goal is to enhance revenue mobilization capacity; and DLIs also include key outputs in the results chain--such as the increase in the number of active taxpayers. There are currently around fifty thousand registered VAT taxpayers, but this expected to increase to around 200,000 active registered taxpayers over the course of the project. The scope is national. Through gradual harmonization of reform processes in the VAT wing and in particular ICT deployment in the other tax wings (income tax and customs) of the NBR, the

Program supports the longer-term efficiency improvements from a whole-of-tax administration reform agenda. To facilitate the harmonization process, the Bank and the IFC are providing additional technical assistance through a long-term ICT adviser to the Chairman, NBR.

#### **2.1.1. Implementation Arrangements**

Oversight of the VAT Improvement Program will be carried out using the following mechanisms: (i) Program Management and Monitoring Unit (PMMU); (ii) Bi-annual Implementation Review (progress reports) of the NBR; (iii) Annual Independent Implementation Review mechanism; and (iii) IMF verification protocols. The NBR, which is the central authority for tax administration in Bangladesh, will be responsible for management and implementation of the VAT Improvement Program.

A VAT Implementation Steering Committee, chaired by the NBR Chairman will have the authority to make all decisions that affect the implementation of the new VAT Law, and will have the following responsibilities: (i) approve the draft implementation plan for consideration and final approval by the MoF; (ii) approve any major variation to the plan; (iii) monitor implementation plan progress; (iv) provide direction and guidance on significant issues to the implementation team; (v) ensure adequate resources (personnel and finance) are provide to enable the projects objectives to be achieved; and (vi) ensure that there is effective coordination between the implementation team and other NBR units, external departments, or agencies.

### **3. PROGRAM'S ENVIRONMENT AND SOCIAL POTENTIAL BENEFITS AND RISKS**

This section presents the environmental and social benefits, risks and impacts of the Program. The risks have been identified using the Environmental and Social Risk Screening Format included in OP 9.0 that determined the boundary of assessment. It also covers the likely environmental and social effects, the environmental and social context, institutional capacity, and the reputational and political risk (for details see table 1).

#### **3.1. Environmental benefits, risks and Impacts**

The program is expected to improve efficiency and reduce the use of material goods by scaling-up ICT application in NBR. The program will enable governments to deliver better service to the public more effectively through leading-edge information and communications technology solutions using the ICT equipment like server, computer, LAN, The program will decrease the burden upon environment by reducing people movement (saving time and energy) and amount of paper used in offices. Solutions such as E on-line tax and VAT payment system will contribute to lessen the environmental load.

The risk assessment establishes that the associated environmental risks of the program are negligible. Activities planned under the proposed Program will not include any physical interventions such as construction, rehabilitation or renovation works. Hence, these activities are environmentally benign and will not cause any negative environmental effects, any loss or conversion of natural habitats, any changes in land or resource use, or any environmental pollution.

The program may generate e-waste at the end of the expiry of ICT equipment. However, this impact can be mitigated through safe disposal of this equipment such as computer hardware, mobile phone, memory cards, flash drives, printer, toner, charger, battery etc.

#### **3.2. Social benefits, risks and impacts**

In relation to the OP principles, there will be no land requirement and loss of access to natural resources as a result of program activities. The program will acquire a new information technology system, based on commercial-off the shelf (COTS) software, which will support core VAT processes-Registration, e-filing of return, e-payment of VAT & supplementary duty, electronic processing of returns, etc. The nature of investment for automation of systems to improve taxation system will not lead to any social risk.

It will benefit the management and staff of the VAT Wing at NBR and the VAT tax filers and taxpayers from improved tax services particularly the ability to register, file and pay on line.



### 3.2.1.Environment and Social Risk Assessment

**Table 1: Environmental and Social Risk Assessment Matrix**

<b>Risk</b>	<b>Environmental and Social Risk Screening and Assessment</b>
<p><b><i>Environmental and Social Context</i></b> (geographical coverage and scope of the Program and environmental and social conditions in the Program area that may have significance for Program design and implementation.)</p>	<p>The program will improve transparency and management in the tax administration. It does not envisage any infrastructure development.</p> <p><u>Environment:</u></p> <p>The program will finance the ICT equipment like server, computer, LAN, etc. The ESSA envisaged the issue of the proper disposal of the expired ICT equipment. The assessment found that the country’s legal and regulatory framework is adequate to address safe disposal of e-waste.</p> <p>Risk – Low</p> <p><u>Social:</u></p> <p>National government adopted the RTI Act in 2009. Accordingly, it requires proactive disclosure of generic information and gives citizen’s right to request for information. The Program has no social risks.</p>
<p><b><i>Associated or Likely Social and Environmental Effects</i></b> (potential benefits, impacts and risks that are likely to be associated with the Program.)</p>	<p>The Program will support the adoption of IT systems to improve tax management.</p> <p><u>Environment:</u></p> <p>The program is not expected to create any significant and long-term environmental impact. Accordingly, the program will also not have impact on natural habitants or create environmental pollution. Changes in land use pattern and/or resource use are not expected due to the program intervention.</p> <p><b>Risk Assessment:</b> negligible</p> <p><u>Social:</u></p> <p>The associated risks relate to usage, lack of skills,</p>
<p><b><i>Program Strategy and Sustainability</i></b> (situate the Program, and its environmental</p>	<p><b>NBR-</b> The tax modernization program is intended to</p>

<b>Risk</b>	<b>Environmental and Social Risk Screening and Assessment</b>
<p><i>and social management systems, within the country's broader development strategy, with particular emphasis on identification of factors that may impede successful Program management over time.)</i></p>	<p>integrate, automate the revenue administration and introduce new VAT tax policy to widen the tax base and sustainably raise resources.</p> <p>The potential environmental and social benefit includes enhanced quality of services and improved management.</p> <p>Associated risks cover challenges related to low capacity.</p>
<p><b><i>Institutional Complexity and Capacity</i></b> (organizational, administrative and regulatory structures and practices, as they relate to environmental and social assessment, planning and management.)</p>	<p><u>Environment:</u></p> <p>The program will be implemented by NBR and it has separate IT unit. This unit is responsible to manage and dispose the ICT equipment. According to the present practice, the expired ICT equipment is collected at a central place. Each type of equipment is then be further segregated to collect the reusable parts. After that the end-of life parts are under go for auction. The program may generate limited e-waste at the end of life of the equipment and accessories. The GoB has its legal instrument and procedure for disposal of e-waste.</p> <p><u>Social:</u></p> <p>Weak capacity of service providers on usage of technology and behavior pattern is likely to have an impact on change processes. NBR has developed a human resource development strategy which includes effective communication and change management strategy. For the consumers different education and communication tools are prepared to inform taxpayers about the operational procedures under the new VAT regime.</p>
<p><b><i>Reputational and Political Risk Context</i></b> (environmental and social issues, trends or other factors that may cause the program, the country, or the Bank to be exposed to significant reputational or political risk.)</p>	<p>For the most part, the program does not present notable reputational and political risks. In a sense, the program responds to the present risks of transparency, or lack thereof, at the local level. The strong emphasis on pro-active disclosure in the program addresses the concerns of citizens of being denied information, but rather it is publicly available and comprehensible for them. By making the information transparent, it will improve the incentives for government and beneficiaries.</p>

Risk	Environmental and Social Risk Screening and Assessment
<p><i>Overall Assessment: (overall risk profile for the Program, based on the team’s subjective weighting and aggregation of all factors identified above).</i></p>	<p><u>Environment:</u> Overall the program will not pose any special challenges or threats to the environmental settings and no special attention is required.</p> <p><b>The overall environmental risk is negligible.</b></p> <p><u>Social:</u> Overall risks associated with the program are “benign”</p>

#### 4. DESCRIPTION OF THE PROGRAM ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

OP 9.00 requires that all PforR operations to ‘Operate within an adequate legal and regulatory framework to guide environmental and social assessment at the Program level’. This section describes the existing environmental and social management system of the GoB. It first provides an overview of the policy and legal framework. This is followed by a profile of the key institutions and their role with respect to management of environmental and social aspects of the Program. Details of the Ministries environment and social management procedures are provided. Finally, drawing upon all of this information, the consistency of the Program system with the six core principles of OP 9.00 is analyzed (section 4.4).

##### 4.1. Environment Legal and Policy

The ESSA reviewed the existing regulations and policies, their legal and practical applicability at the program level as well as the institutional capacity, and the effectiveness of implementation in practice. GoB’s environmental laws and policies are adequate for both protection and conservation of resources, although enforcement capacity needs to be improved significantly. The assessment highlights that the Program may generate limited e-waste and GoB has comprehensive laws and policies for management of electronic waste. These are:

- a) GoB’s Environment Conservation Rules (ECR) 1997 amended 2003, promulgated under the Environment Conservation Act 1995 sets environmental Quality Standards, requirement for and procedures to obtain Environmental Clearance, and for IEE/EIA according to categories of industrial and other development interventions.
- b) An SRO was issued in 2006 (SRO No. 175-Act/2006 dated August 29, 2006) on collection and recycling of used/non-functional batteries for conservation of environment, improving environmental standard and control and prevention of environmental pollution. According to this amendment, no recycling of battery will be permitted without environmental clearance of DOE. It further restricts unsafe disposal of used batteries or any parts of used battery in open place, water bodies, waste bins etc. All used batteries must be sent to the DOE approved battery recycling industry at earliest convenience.
- c) Bangladesh Labor Act, 2006 recognizes occupational rights and safety of factory workers, sets safety standards for use of explosive and inflammable material, and other related services at work place.
- d) The national ICT policy sets regulatory standards to control dumping of ICT devices to prevent electronic waste. The policy establishes safe disposal and recycling mechanisms and encourages building plants for recycling old PCs and ICT accessories.

- e) An SRO of Bangladesh government was issued on disposal procedure on expired IT equipment. According to the SRO, average lifetime of ICT equipment is 6 years including the warranty period. After that this e-waste can be auctioned as per rule or donated to the other training institute or other agencies or disposed with the guidance of Bangladesh Computer Council under the relevant law
- f) Electrical and Electronic Waste (Management and Handling) Rules is under preparation to incorporate E-waste management issues and proper management of E-waste.

## **4.2. Social legal and Policy**

The law applicable to the program is limited to the Right to Information Act 2009. It is well defined Act, according to which Government is responsible for placing information in the public domain.

## **4.3. The Environment management procedures and practices**

Overall environmental enhancement is beyond the scope of the program. However, ESSA highlights specific areas where there is scope to adopt “good practices”. These initiatives could be considered for implementation and are:

**Existing** - The program is associated with the computer/telephone hardware and software system for the services of taxation system. Tablets and mobile cellphones will be provided to these institutions. Moreover, the infrastructure to support the operation of these devices which includes servers, wireless transmitters, data storage devices, computers etc. will also be provided at suitable locations. These electronic equipment may generate electronic wastes when (1) equipment become backdated (2) equipment are decommissioned (3) batteries are used and disposed (4) equipment get damaged.

The detail specification and quantity of ICT equipment to be procured under the EGOP will be determined during program implementation. Accordingly the exact amount of e-waste generation after the life time of the equipment from the program cannot be estimated at preparation stage.

Assessment of safe management of e-waste reveals that there is no central database, which can provide the estimate of e-waste generated in NBR.

Currently the expired equipment (e-waste) is auctioned by the various offices and personal users. The purchaser first run to check to see the product is functioning or not. If the product is functioning then they sell it to the customer who looks for second hand parts. Otherwise they break the product into pieces to separate iron, lead, copper, silver, plastic, etc. and sell this to a purchaser of these things. Then these disassemble products go to people involved in different tiers in recycling of these things. A study<sup>1</sup> on production of e-waste of the country was carried out to assess the current recycling practices of e-waste. The study identified three hotspot of e-waste recycling at Dhaka and five at Chittagong. In this recycling hotspot, at first the reusable expired equipment are cleaned and repaired. These repaired and useable products are sold to secondhand retailers. The non-recoverable items as metals, plastic, bronze, cables etc. are sold to scrap dealers. The study investigated that almost all the items are sold by repairing or sold as scrap. A very small material quantity is thrown away and come as solid waste.

**Strengthening-** As recognized in previous sections, the program may generate limited e-waste at the end of life of the equipment and accessories which can mitigated through safe disposal of e-waste. Record keeping of equipment purchased, reused and auctioned needs to be strengthened. The present e-waste

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<sup>1</sup>Dr. Sarwar Uddin Ahmed (2011), E-waste Recycling Practices in Bangladesh, D.Net Development Research Network.

management capacity of NBR can be further enhanced by appropriate training of existing staff of ICT unit and developing the system for proper record keeping and monitoring.

#### **4.4. Social management procedures and practices**

**Existing** - The current practice is based is to manually manage and maintain records, filing returns etc. and limited information.

**Strengthening** - The program will support shift from manual to ICT based management of services. The program proposes to support capacity building of service providers on usage of technology and support behavioral change that could contribute to an effective change processes. The program is designed to implement the Provisions of Right to Information Act (2009). Flow of information will be will be further enhanced through communication and outreach program to disseminate information of service provider, services available, rules of engagement to access services through multiple channel such as print, electronic media, etc. in a culturally appropriate manner.

**Existing** - The new law and associated operating procedures are fundamentally different from the current VAT system. Therefore, there is gap in the knowledge and capacity of service providers and beneficiaries.

**Strengthening** - The NBR will be developing and implementing an effective communication and change management strategy for capacity building of service providers. The existing field-level staff knowledge will be relevant in the new environment and a large number of staff will require training on new VAT law and procedures. NBR also has the government approval for appointing about 1,000 new field level staff and a relatively large number of tax cadre officials. A training needs assessment will be conducted to develop comprehensive set of training modules. The identification of the precise training topics will be analogous to the proposed organizational structure and new set of operating processes for each of the functional areas proposed earlier.

**NBR VAT Implementation Committee (VIC)** will form strategic alliance with apex business chambers and professional associations to reach out to the key stakeholders likely to be impacted for all the changes brought in by the new VAT law. Consideration will be given to provide specialized support and advice to tax professionals in recognition of the significant impact they can have on taxpayer compliance levels. Different education and communication tools will be designed to inform taxpayers about the operational procedures under the new VAT regime.

#### **4.5. Assessment of Program System Consistency with Core Principles of OP 9.00**

Drawing on the information and analysis presented in the preceding sections, the analysis presented here on the Program systems' consistency with each of the six Core Principles outlined in OP 9.00.

##### **Core principle 1: General principle of Environmental and Social Management**

OP 9.00: Environmental and social management procedures and processes are designed to promote environmental and social sustainability in the Program design; avoid, minimize, or mitigate adverse impacts, and promote informed decision-making relating to the Program's environmental and social impacts.
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*Analysis:*

- (a) Government Bangladesh has a reasonable Environment legal and policy framework to protect, conserve and mitigate adverse impacts.
- (b) There are well defined legal and policy framework to enhance transparency.

**Core principle 2: Natural Habitats and Physical Cultural Resources**

OP 9.00: Environmental and social management procedures and processes are designed to avoid, minimize, or mitigate adverse impacts on natural habitats and physical cultural resources resulting from the Program

**Analysis:**

- (a) The proposed program investments would neither impact nor convert critical natural habitats, does not generate any adverse impact on terrestrial flora. The program will not support civil works. There will not be any adverse impacts on physical cultural resources

**Core principle 3: Public and Worker Safety**

OP 9.00: Environmental and social management procedures and processes are designed to protect public and worker safety against the potential risks associated with: (i) construction and/or operations of facilities or other operational practices under the Program; (ii) exposure to toxic chemicals, hazardous wastes, and other dangerous materials under the Program; and (iii) reconstruction or rehabilitation of infrastructure located in areas prone to natural hazards;

**Analysis:**

- (a) Bangladesh Labor Act, 2006, recognizes occupational rights and safety of workers.
- (b) There are safety standards for use of explosive and inflammable material, and other related services at work place.

**Core principle 4: Land Acquisition**

OP 9.00: Land acquisition and loss of access to natural resources are managed in a way that avoids or minimizes displacement, and affected people are assisted in improving, or at least restoring, their livelihoods and living standards.

**Analysis:**

The program does not envisage any civil works and land will not be required.

**Core principle 5: Indigenous People and Vulnerable Groups**

OP 9.00: Give due consideration to the cultural appropriateness of, and equitable access to, Program benefits, giving special attention to the rights and interests of the Indigenous Peoples and to the needs or concerns of vulnerable groups

**Analysis:**

- (a) The program does not envisage any investment that will have any bearing on tribal and other vulnerable groups.

### **Core principle 6: Social Conflicts**

OP 9.00: Avoid exacerbating social conflict, especially in fragile states, post-conflict areas, or areas subject to territorial disputes
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The area in question is not a conflict area; neither there is a conflict nor is it a fragile state. There are no conflicts or territorial disputes in the project area.

## **5. RECOMMENDATIONS**

The program will enable the government of Bangladesh to improve VAT management and deliver tax services to the public more effectively through leading-edge information and communications technology (ICT) solutions. Based on the above findings, this section outlines recommended actions for improving the social and environmental management systems, where appropriate. These options for improvement of the environmental and social management system (ESMS) have been discussed with NBR.

### **5.1. Environment**

The ESSA process concludes that there are no significant impacts or risks except the issue of the proper disposal of the expired ICT equipment. The GoB has well-defined legal/regulatory systems for safeguarding environment issues. The implementing agency (NBR) agreed to follow the relevant rules and procedure of these legal documents to protect any possible adverse impact under this program.

NBR is practicing e-waste management based on the government directives. ESSA recommends that the existing practice can be further improved through regular training of ICT unit staff and proper record keeping of equipment purchased, reused and auctioned.

### **5.2. Social**

The program is designed to enhance transparency and accountability of tax management. In addition, following actions are proposed to strengthen the social management system and will include the following:

**5.2.1. Adaptation to technology based service delivery** - Strengthen the capacity building that promotes behavioral change to shift from “manually” managed services to “automation”. It will require learning from successful programs and promote sharing of knowledge and training on use of technology. A change management plan will be developed that incentivizes usage of technology for efficient management and training to NBR staff will be provided during the implementation of the program.

**5.2.2. Grievance Redress** – The program will strengthen the existing system of contact point for complaint management. The complaints will be registered online on the web-portal of NBR. These complaints will be sent to responsible officers in the concerned department for addressing grievances within 15 days from the date of registration. In case, the complainant is not satisfied with the redressal, the complaint will be sent to the Joint Commissioner to be addressed within 15 days of receipt of the registered complaint. The contact point will be responsible for recoding and tracking the complaint management system.