



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Bangladesh	SOUTH ASIA	P174085	
Project Name	Recovery and Advancement of Informal Sector Employment		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	8/18/2020	12/1/2020
Borrower(s)	Implementing Agency(ies)		
Financial Institutions Division, Ministry of Expatriate Welfare and Overseas Employment	Palli Karma-Sahayak Foundation (PKSF)		

Proposed Development Objective(s)

The objective is to increase the employability and productivity of low-income urban youth and returning migrants, especially those affected by the COVID crisis.

Financing (in USD Million)	Amount
Total Project Cost	250.00

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

No

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

CONTEXT

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



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

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

In response to structural challenges and to accelerate economic transformation, the GoB has emphasized labor intensive job creation in the modern sector, but there are programming gaps for boosting employment for low-income urban youth and to enhance coverage of labor market programs for post-COVID recovery. There are few, if any, programs designed to address the other factors constraining the labor market outcomes of poor and less-educated youth. The need for targeted labor market programs for those in the informal sector, especially urban youth, has been made more urgent by the ongoing Covid-19 crisis, due to the urban informal sector being disproportionately affected by the COVID-related shocks. Globally, labor market interventions have proven to be a popular instrument in COVID response and recovery. Focusing only supply-side interventions, wage subsidies account for 60 percent of the global COVID-response labor market portfolio, with programs being implemented in Jamaica, Kosovo, Malaysia and Thailand. Activation measures (worker trainings) are also being considered inter alia in Bosnia and Herzegovina, China and Romania. 16 percent of the COVID labor market interventions are activation activities, such as training. The remainder are changes in labor market regulations and benefits.

PROJECT DESCRIPTION

The key principles of the project are:

- Targeting low-income urban youth: Focus on high-poverty urban and peri-urban areas with the highest rates of informality in the labor market.
- Building systems to facilitate integrated services for informal workers: Establish a case management system for informal sector youth seeking services, including registration (inter-operable with other registries, like the National Household Database), counseling, referral to services supported under project, and information on other services.
- Improving productivity and employability: Improving productivity and employability of youth from low-income households and with low-educational attainment through packages of services that could include on-the-job learning, counseling, access to seed capital, and other services.



- Supporting informal urban self-employed: Providing financial support and complementary services to informal urban self-employed whose livelihoods have been affected by COVID-related factors, but have been ineligible for other financial stimuli.
- Addressing reintegration challenges for involuntary return migrants: Providing cash allowances to return migrants who face multiple challenges upon return; with these challenges including lack of employment opportunities, limited access to social safety nets, and large debts incurred in financing migrations costs.
- COVID-sensitive implementation: Applying implementation protocols that reduce the risk of community transmission during training and payments.

The project has five related components:

- Component 1 builds the system that will help workers identify their aspirations, strengths, and constraints (e.g. human capital, or financial). The systems established under Component 1 would be of use in a) screening potential beneficiaries for services provided under Component 2; b) case management of beneficiaries enrolled in Component 2 programs including M&E and tracking employment status of beneficiaries six months after completion; and c) providing information on services offered outside the supported project, depending on the results of the profiling. Component 1 would be open to all interested members of the labor market, aged 15 years and over, although the emphasis would be on services for members of low-income households.
- Component 2 addresses the specific needs of improving the employability and productivity of youth from low-income households through a package of services, including imparting essential life skills; on-the-job-learning opportunities through informal apprenticeships; access to seed capital, and coaching and mentoring. These services would be designed to enable beneficiaries to acquire aptitude and experience for entering informal wage employment or self-employment once they complete the program.
- Component 3 will provide direct financial support to informal urban self-employed individuals whose livelihoods were otherwise performing well before the COVID-crisis, and that will not be eligible for support through the stimulus provided through current Government of Bangladesh support for cottage, micro, small, and medium enterprises (CMSMEs).
- Component 4 would address the immediate and medium-term needs of returning migrants that would enable them to commence the process of reintegration and restoration of livelihoods. This would be done by providing a one-time cash allowance to returning migrants as a safety net measure to help them meet immediate basic needs and linking those interested in reintegrating into the domestic labor market to the case management system and appropriate employment programs described under Components 1 and 2. This component will also enable improvements to the quality and integration of information and service delivery systems under the Ministry of Expatriate Welfare and Overseas Employment to enhance outbound migration processes as and when global demand picks up, as well as allow quick Government outreach, and response in the event of any future shocks.
- Component 5 would be a Contingent Emergency Response Component (CERC). This is a provisional zero amount component to allow for rapid reallocation of loan proceeds from other project components during an emergency.

The main beneficiaries would be youth (aged 15-34) that are poor, less-educated, in highly urbanized districts, and in the labor market. These segments of the youth labor market face constraints to productive economic activity are not currently addressed by any major programs. There would also be special outreach to workers displaced by the COVID crisis, from jobs in both domestic and foreign labor markets, with special support for returning international migrants. Geographically, the programming would be focused on urban and peri-urban areas, where substantial segments of urban informal workers and self-employed have experienced loss or reductions of livelihoods.



RELATIONSHIP TO CPF AND HIGHER LEVEL OBJECTIVES

The project aligns very clearly with the Bangladesh Country Partnership Framework (CPF) FY2016-2020, South Asia Regional Strategy, and the Bangladesh Social Protection and Jobs sector strategy. The CPF noted that the fundamental challenge for Bangladesh's growth and poverty reduction progress was the need to accelerate the pace of job creation while improving the quality. The CPF identifies human development, including better labor market outcomes, as a foundational priority for growth and poverty reduction in Bangladesh. These priorities in turn are reflected in the Regional Strategy where jobs are included as major pillars for growth and social inclusion. The Bangladesh Country Management Unit's commitment to the jobs agenda is illustrated by its support of the Jobs Platform (P165929), and the Jobs Development Policy Credit operation (P167190).

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

COORDINATION AND CONVERGENCE WITH OTHER PROJECTS

The proposed activities would coordinate with relevant initiatives supported by pipeline and active World Bank projects to achieve synergies that enhance the impact of individual interventions, such as with the ASSET (P167506) and SEP (P163250) IPFs. The synergies with the ASSET project will be present in Component 1 and Component 2. Beneficiaries entering the case management system that would benefit from technical skills development programs and that meet the eligibility criteria could be referred to technical skills development programs supported under the ASSET project, for example. Similarly, the Recognition of Prior Learning (RPL) services offered under ASSET for informal sector workers could be a valuable service that some RAISE beneficiaries might be interested in. RAISE and the SEP IPF would be able to leverage the fact that the activities have the same implementing agency and also have a strong focus on self-employment. SEP has the objective of increasing the adoption of environmentally sustainable practices by targeted microenterprises supported by the implementing agency. Some of the low-polluting, environmentally business practices in the SEP-supported microenterprises can be mainstreamed into the self-employment training package of RAISE's Component 2. Also, high-performing microenterprises supported by SEP operating in RAISE's urban and peri-urban implementation areas could potentially be considered as candidates for master craftsmen for the informal apprenticeship program.

IMPLEMENTATION

The Palli Karma-Sahayak Foundation (PKSF) and the Ministry of Expatriate Welfare and Overseas Employment (MEWOE) would be the implementing agencies for the Project. PKSF is a semi-autonomous government institution under the Financial Institutions Division (FID) with a mandate of sustainable poverty reduction through employment generation, with a focus on ultra and moderate poor and micro-entrepreneurs. PKSF has considerable experience implementing Bank projects, most recently with Sustainable Enterprise Development (P163250) as well as the proposed Rural Water, Sanitation and Hygiene for Human Capital Development (P169342). The MEWOE is responsible for ensuring the welfare of expatriate workers and enhancing overseas employment opportunities through increased



labor market access for Bangladeshi workers and skills development of the workforce. The Ministry has demonstrated its capacity to manage the successful repatriation and reintegration of migrant workers through the Emergency Repatriation and Livelihood Restoration Project (P126623) in response to the Libyan civil war in 2011.

D. Environmental and Social Overview

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

The project will target undereducated, poor youth from urban and peri-urban areas for apprenticeship, job placement and entrepreneurship assistance. Given the focus of beneficiaries in the urban and peri-urban areas the exact locations of the project interventions will not be known during project preparation. It is expected that project areas will be located in metropolitan areas. Nevertheless, the proposed interventions will have countrywide implications and impact on both young, undereducated poor population (including women, vulnerable and the disadvantaged) and at-risk informal micro-enterprises operated by low-income individuals. Bangladesh's urban landscape, (the Project implementation focus area) is characterized by rapid urbanization accompanied by strong economic growth; exceptionally high population density; primacy of Dhaka; concentrated economic production and low economic density; specialization in low-value-added, labor-intensive garment production; peri-urbanization of garment employment in metropolitan Dhaka; comparatively better infrastructure and services than the rest of the country; pollution due to extreme traffic and population density; higher average crime rate; concentration of public offices and major decision-making hub; Higher concentration of training facilities and health care services and a lack of green space. Around 37% of Bangladesh population live in the urban areas. Major disaster risks faced by urban population is earthquake, flood and heat waves.

D. 2. Borrower's Institutional Capacity

The Palli Karma-Sahayak Foundation (PKSF) will be the Implementing Agency (IA) for the Project acting as a Financial Intermediary (FI). PKSF is a semi-autonomous government institution under the Financial Institutions Division (FID) with a mandate of sustainable poverty reduction through employment generation, with a focus on ultra and moderate poor and micro-entrepreneurs.

PKSF has dealt with safeguards issues adequately in the past in World Bank financed projects and are currently implementing Sustainable Enterprise Development (P163250) as well as the Rural Water, Sanitation and Hygiene for Human Capital Development (P169342). The former was under WB's Safeguard Policy (category B) and the latter is under ESF (moderate risk). Therefore, PKSF has experience in both the policies of WB to assess and manage E&S issues.

As part of ESF requirement PKSF is required to have in place and maintain an Environmental and Social Management System (ESMS) to identify, assess, manage, and monitor the E&S risks and impacts of FI subprojects it will support on an ongoing basis. Although PKSF do not have an established ESMS in place, they have made a gradual progress in developing one through establishment of the Environment/Climate Change unit and enhancing E&S risk management capacity through ongoing SEP. The ESMS assessment will be carried out by the Bank team during the project preparation which includes environmental and social policy; clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of subprojects; organizational capacity and competency; monitoring and review of environmental and social risks of subprojects and the portfolio; and external communications mechanism. The result of the evaluation of the ESMS will be elaborated in the A-ESRS.

Given the involvement of its Partner Organization (PO) as Participating Financial Intermediaries (PFIs) through which PKSF will provide funds to the beneficiaries, the POs will also need to have in place their own ESMS to assess and



address E&S risks and impacts of their subprojects. The PFIs eligibility and selection criteria would be elaborated in the Operations Manual. PKSf will provide capacity building measures for its POs selected as PFIs. All the POs of PKSf are registered both as NGOs and MFIs.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Moderate

The interventions of the Project will center on apprenticeship, coaching in the areas of life skills, technical skills, job coaching and placement, cash transfers to launch self-employment and provision of financial support to liquidity constrained urban youth ineligible for stimulus provided by the Government.

Key environmental issues could arise from supporting type of activities that may use environmentally damaging technologies, and Component 2 beneficiaries potentially starting businesses that may affect the environment. The Bank team will work with PKSf to prepare a negative/exclusion list to avoid substantial to high risk activities. The potential risks from moderate risk sub-projects can be managed by appropriate environmental and climate-friendly best practices and screening activities for adherence to appropriate standards. To the extent possible, the project would leverage resources and curricula developed through the Sustainable Enterprise Project (SEP).

ESMS assessment will include assessment of all these potential risks and impacts. As part of ESMS, a screening mechanism will be put in place that will restrict both the individual entrepreneurs and the beneficiary microenterprises resorting to business practices that is environmentally friendly and leaves minimum environmental footprint. The ESMS will describe an eligibility criteria for type of activities and businesses for funding under the project. The screening mechanism and the application of ESMS modalities will be explained in the Operational Manual.

Since potential type of activities and businesses will be screened against eligibility criteria to ensure no businesses with substantial environmental risks will be financed through the project, the Environmental risk is rated Moderate for the moment. However, this risk classification will be revisited when more details of the project become available toward appraisal. Any change to the classification will be disclosed on the Bank’s website.

Social Risk Rating

Substantial

In Bangladesh, 44 per cent of the youth labor force is employed in the informal economy and this huge scale of vulnerable employment presents a comprehensive challenge to stable and sustainable development as the workforce are unregulated, unrecognized and of low productivity in nature.

Due to CIVID-19 related imposed social distancing, mass isolation and quarantine the need for informal sector-centric products and services have spiraled down, the supply chain has been severely affected—jobs and earnings of especially low-income urban workers are at unprecedentedly distressing levels which not only have created a social tension but also have cascading affects in terms of post COVID-19 restoration and social stability.

Public Disclosure



Gender disparities in labor market participation, disproportionate responsibility for caregiving and household work, restricted mobility rooted in cultural norms, lower technical skills, and gender-based discrimination in the labor market are among the key barriers to women’s access to quality jobs which has worsened due to present pandemic, requiring extreme efforts from all stakeholders to mitigate.

Selection of beneficiaries (including ensuring reduction in gender gap, inclusion of the vulnerable) would be a major challenge given the high number of potential candidates which subsequently may give rise to elite capture. Social norms and barriers to female labor force participation (especially in this trying times) would also pose a challenge.

The access to apprenticeship and job opportunities as well as finance to setup MEs for returnee migrants may potentially be very limited due to their lack of network and lack of experience in Bangladesh job market, hence may be left out of inclusion which may potentially give rise to social conflict. The number, background, experience, desperation to secure a job for the migrants are massive and hence their selection and subsequent grouping for project benefits would be a major undertaking. Disabled and similar vulnerable groups including ethnic minority community member may also face challenges in securing benefits from the Project intervention. They may be kept away from selection, their inherent disproportionate risks and impacts which would require a differentiated measure for mitigation would need high level of borrower capacity and commitment.

It is highly probable that project beneficiaries who will undergo apprenticeship will come in close contact with each other in a constricted place of classroom and workshops etc. Without proper protocol enforcement they may be exposed to the pandemic and affect their close contacts, family members and associates. Ensuring protocol enforcement may pose challenges since intended young beneficiaries may be reluctant to follow the same. And without such measure, a segment/ locality of the project intervention may be subject to the pandemic and given present lack health service delivery and availability, this has potential to create an obstacle to project progress and achievement.

Since employment opportunity and financial assistance are rare in this situation the beneficiaries may be forced to secure the same through compromising means. The female beneficiaries in the apprenticeship program may also be subject to Gender-Based Violence (GBV) in the hands of the beneficiary selectors and MEs management where they will undergo apprenticeship. Given the breadth of project intervention, monitoring every program closely may be difficult and need comprehensive planning and execution.

Given the project design, the capacity of the Borrower and the anticipated project risk the social risk for the proposed project is rated as Substantial. This will be updated as and when more information will be available.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

Relevant. This ESS is relevant to the Project and clarifies the Borrower’s responsibilities in identifying and managing the E&S risks of the project. The project will build a case management system to support potential beneficiaries and will also arrange informal apprenticeships for unemployed, less educated and poor urban/ peri-urban youth and



facilitate their job search and transition to wage-employment. The project would also support provide access to finance, coaching, and mentorship for youth interested in entering self-employment. The project will also provide direct financial support to liquidity constrained urban youth that would not be eligible for support through the stimulus provided by the Government.

All FI subprojects will be screened against an eligibility criteria to ensure that any beneficiaries supported under this Project do not adopt any practice or develop a business that can potentially be damaging environmentally and socially. The eligibility criteria include an IFC exclusion list as well as additional negative list to screen out activities with more than moderate risks. The exclusion list will form part of Operations Manual.

Key stakeholders, including less educated young females, single young mothers living in urban areas, vulnerable and disadvantaged communities, has been identified and consulted upon to understand their concerns and requirements, which will be included in the design of the interventions to strengthen greater support through preparation of a Stakeholder Engagement Plan (SEP). An Environmental and Social Commitment Plan (ESCP) will be developed by the borrower detailing material measures and action to manage E&S issues in a time bound fashion.

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

PKSF will develop an Environment and Social Management Framework (ESMF) aligned with specific criteria for the Project. PKSF has prepared several ESMF in the past therefore, they can be utilized as a basis. Requirement of establishing ESMS at Partner Organizations (POs) level will be included in the legal agreement with PKSF to make it legally binding.

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

Borrower’s Framework will not be used for the project as a whole, but the low and moderate risk sub-projects to be financed under Component 3 will apply national laws, as is provided for in ESS9. For subprojects that will have substantial adverse risks on community health and safety and labor and working conditions (given potential exclusion and COVID-19 pandemic situation), relevant requirements of ESSs will apply.

ESS10 Stakeholder Engagement and Information Disclosure

Relevant. The team has held multiple consultations with different stakeholders, including proposed project beneficiaries, to identify gaps and solutions for inclusive youth employment programs. Through activities under the Youth Employment ASA (P166304), the team held multiple qualitative interviews with current and former beneficiaries of existing labor market programs targeted to low-income youth across the country. In-depth interviews were also held with PKSF’s partner organizations (POs) and major employers of beneficiaries from these programs. Consultations were also held with Government counterparts, researchers and experts to further narrow potential solutions, including at a high-level forum on Inclusive Jobs for Youth in Dhaka in September 2019, with representatives from the Finance Division, Financial Institutions Division, PKSF, Ministry of Expatriate Welfare and Overseas Employment, development partners, and civil society.



Two rounds of consultation with the vulnerable (including women, disabled and ethnic community members) were held in all 8 Divisions of the country. The consultations focused specifically on employment outcomes and aspirations, with a focus on their constraints for improving productivity, benefits and drawbacks of existing programs that they had participated in, their perception on constraints to starting self-employment, staying in business, and growing etc. The individuals had expressed interest in both wage employment and self-employment, and also referred to constraints, revealing for example, the large gender gaps in access to seed capital and ability to access microfinance for starting/growing businesses.

Given the prevailing COVID-19 pandemic situation and the need for social distancing and other measures, future stakeholder engagements need to follow COVID-19 protocols and instead of face to face contact use of technology and media (online meeting, radio and local TV broadcasts, web-based information sharing, mobile platform and SMS) will be used. In case face to face interaction is absolutely necessary for consultation, required distancing protocols will be followed. Various channels of communication will be used and broadcast so that maximum beneficiaries can come under the purview of information sharing and raising of concerns.

Stakeholder engagement and disclosure of information plans/actions will be implemented and will be closely monitored through a development of a Stakeholder Engagement Plan (SEP), which will be a living document and will be updated throughout the project implementation. The SEP will outline the characteristics and interests of the relevant stakeholder groups (such as unemployed youth and women, local businesses, relevant government agencies, relevant CSO) and timing and methods of engagement. A project level Grievance Redress Mechanism (GRM) will be prepared through which issues and concerns can be raised about the project. The GRM will also have special provisions for Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) related complaints (survivor-centric approach, confidentiality, staffed by people with appropriate special training). The project GRM will also use various channels (including Internet, SMS, Web-based forms, email etc) for submission of complaints and concerns. A Grievance Redress Committee (GRC) will be setup who will receive, record, address, communicate and advice on issues raised by anyone in a timely manner. Periodic reports on GRM issues will be updated to WB Task team.

B.2. Specific Risks and Impacts

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

ESS2 Labor and Working Conditions

Relevant. There will be no civil constructions hence the scope for labor influx and associated risk are unlikely. The Project will train and assign Case Managers, from the existing staffs of the POs (including a minimum number of female Case Managers for female beneficiaries), who will counsel less educated poor beneficiaries and help them determine their aspirations, services they may need to advance these aspirations, and the costs-benefits of different options. The Project will also assign master craftsmen under whom the beneficiaries will undertake on-the-job-learning through informal apprenticeships in microenterprises. The master craftsmen will provide on-the-job training to the project beneficiaries and in turn will receive certain incentives/services that would support their enterprise productivity. Trainers will also be employed (who will be from the existing staffs of the POs as well as contracted through training provider organizations, thereby Contracted Workers) who will provide mandatory 40-hour training and workshop on essential life skills. Besides a number of administrative and operational level staffs will be employed by the MFIs (who will be Direct workers) for project implementation at field levels. Given the need for close physical proximity in providing services to the poor beneficiaries who has very limited access to technology, existing COVID-19



situation could pose as an obstacle. Guidelines of social distancing use of protective equipment and sanitation/ hygiene practice will need to be given priority. It must also be borne in mind that the young project beneficiaries are less likely to follow the Protocol provisions and will need continuous monitoring, training, motivation and enforcement to ensure protocols are abided by. Equal opportunity for potential females, vulnerable and the disadvantaged Trainers/Case Managers with skills at par, should be given access to opportunities for employment. Beneficiaries between the ages of 15-18 will not be assigned to jobs/ employment that is hazardous and detrimental to their physical, mental and moral interest. Provisions of this will be included in the Operation Manual. A Grievance Redress Mechanism (GRM) specifically addressing labor needs for raising concerns about the project will be developed and implemented throughout the project. Since all requirements of ESS 2 is applied to the FI, ESS2 assessment will be done while reviewing the ESMS of the FI and gaps found in the ESMS will be strengthened.

ESS3 Resource Efficiency and Pollution Prevention and Management

Relevant. Given the nature of the project comprising cash transfer, apprenticeship and provision of job, it is likely that some of the project beneficiaries including funded microenterprises could generate pollution (air, water, land, human, construction and medical wastes). To mitigate, a screening criteria and eligibility mechanism will be developed to ensure that no microenterprises or entrepreneurs' business are funded by the Project that may potentially impact the environment. Further, some of the low-polluting, environmentally friendly business practices in the Sustainable Enterprise Project (SEP)-supported microenterprises can be mainstreamed into the entrepreneurship training package of RAISE's Component 2. Businesses/ entrepreneurs adopting water and energy efficient practices will be given preference in the eligibility and screening mechanism. The Operation Manual will include a negative lists of interventions/ business that will not be approved for funding (Including, but not limited to the IFC negative list).

ESS4 Community Health and Safety

Relevant. Community health and safety issues may emanate from microenterprises financed through this project adopting business practices which may be environmentally polluting and degrading. The project plans to reduce gender gap and provide opportunities for women for training/ apprenticeship in close proximity of males therefore raise concerns for GBV/ SEA. Further, training/working in close proximity in likely COVID-19 situation may sometime compromise the social distancing requirement.

These risks can be managed by adjusting the design of the curricula in Component 2 to include appropriate environmental and climate-friendly best practices, awareness on SEA/H issues, and developing a screening and eligibility criteria for participating microenterprises and entrepreneurs for adherence to appropriate standards. Project GRM will include specific provisions to address issues related to SEA/SH. All Project workers including beneficiaries will undergo sensitization building measures as well as training related to GBV/SEA/SH. Given the information at hand at the moment, the GBV risk assessment is in the lower vicinity of Moderate Risk. Further information on project interventions, plan, locations etc will be required to develop a GBV action plan, if required.

To the extent possible, the project would leverage resources and curricula developed through the Sustainable Enterprise Project (SEP) for clean technologies. Social distancing, awareness raising on COVID-19 issues, maintenance of WHO guidelines during implementation will also be adopted. Given the young beneficiaries potential for not



adhering to rules and regulations, continuous motivation, practice, training and behavior correction interventions will be required at frequent intervals.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

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

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant. The project may affect biodiversity and/ or living natural resources in case project funds businesses/ natural resource based enterprises that uses timber/wood-based fuel, fishing, farming etc. The ESMS of the FIs will put in provisions not to adversely affect biodiversity, habitats as well as promote sustainable management of living natural resources by natural resource-based enterprises.

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

Not Relevant. Given that the project will be implemented in urban/ peri-urban setting, it is unlikely that small ethnic minorities present in the project areas meeting the criteria mentioned in ESS 7 will be affected. Small ethnic minorities/ vulnerable group, if any, will be addressed under ESS 1.

ESS8 Cultural Heritage

Relevant. ESS 8 is relevant in case the project finances activities that may potentially use tangible and non-tangible cultural heritage for commercial purposes. If a subproject intends to use cultural heritage of any project affected parties (including individuals and communities) for commercial purposes, it will inform the project affected parties of: (a) their rights under national law; (b) the scope and nature of the commercial development and the potential impacts; and (c) the potential consequences of such development and impacts. The subproject will not proceed with such commercial use unless it: (a) carries out meaningful consultation with stakeholders; (b) provides for fair and equitable sharing of benefits from commercial use of such cultural heritage, consistent with customs and traditions of the project affected parties; and (c) identifies mitigation measures according to the mitigation hierarchy.

ESS9 Financial Intermediaries

Relevant. Under this project, PKSF (acting as a Financial Intermediary) will be responsible for providing capital to their Partner Organizations (PO) functioning as participating Micro Financial Intermediaries (MFIs), which in turn will provide cash transfers and loans to project beneficiaries. POs/FIs will be selected under the project based on their governance and management structure, personnel capacity (including trainer), linkages to microenterprises, and financial viability. The POs of PKSF are both registers as NGOs and MFIs. The project will fund specific credit line (clearly defined subprojects) for PKSF and not for a general purpose.

The ESMS assessment of PKSF will be carried out by the Bank team during the project preparation. The participating MFIs are also required to have ESMS and their eligibility and selection criteria would be elaborated in the Operations



Manual which will include an exclusion list of activities not eligible for funding (including, but not limited to the IFC negative list). PKSf will be responsible for oversight of participating FIs and ensure that they identify, assess, manage and monitor any E&S risks emanating from their activities. Requisite training will be provided by PKSf to orient them towards the preparation and use of the ESMS. The Operational Manual will also include an ESMF to illustrate criteria, policy, procedure and framework to identify and manage E&S risks and impacts.

All FI subprojects will be screened against exclusions list. Sub-project with low-moderate risk will be prepared and implemented in accordance with relevant E&S national and local laws and regulations. However, for subprojects that will have significant adverse risks on community health and safety and labor and working conditions (given potential exclusion and COVID-19 pandemic situation), relevant requirements of ESSs will apply. For others, National Law will be applicable.

B.3 Other Relevant Project Risks

The project is likely to be implemented where COVID-19 pandemic situation will exist. Thus, there is a need for the project to be implemented under specific protocols. Social distancing has been implemented by the government though given the adverse impact on national economy, the government has recently opened offices, markets and malls, and public transport system urging everyone to follow COVID-19 protocols. The pandemic has already given rise to the price hike of essentials, travel restriction, social tension etc. Training and apprenticeship interventions need to be designed keeping WHO and Government guidelines in mind.

C. Legal Operational Policies that Apply

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

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

There is no other financing partner.

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

- Develop ESMF to identify and manage E&S risks and impacts including an exclusion list (including but not limited to IFC negative list) to be part of Operations Manual (Prior to Appraisal)
- Develop Stakeholders Engagement Plan (SEP) (Prior to Appraisal)
- Draft Environment and Social Commitment Plan (ESCP) (Prior to Appraisal)

Public Disclosure



Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- Capacity building measures including need for training, assignment of specialists (especially Environment and Social Specialist). A training program schedule will be developed in consultation with the client
- Annual reporting requirements on the Borrower’s part
- Screening of MFIs and need for approved ESMS of both PKSF and participating FIs
- The monitoring plan, including the scope and timing of report submission and disclosure
- Specific timeline and responsibility assignment against each commitment

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

04-Aug-2020

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Financial Institutions Division

Borrower: Ministry of Expatriate Welfare and Overseas Employment

Implementing Agency(ies)

Implementing Agency: Palli Karma-Sahayak Foundation (PKSF)

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s): Aneeka Rahman, Syud Ahmed

Public Disclosure



Practice Manager (ENR/Social)

David Warren Recommended on 11-Jun-2020 at 14:47:19 EDT

Safeguards Advisor ESSA

Charles Ankisiba (SAESSA) Cleared on 15-Jun-2020 at 14:53:19 EDT