I. Introduction and Context

Country Context

Bangladesh has shown a good record of macroeconomic growth and development despite political turbulence and natural disasters in recent years. In the past decade, the economy has grown by nearly 6 percent per annum and this steady growth has been accompanied by a significant decline in poverty and extreme poverty rates. Between 2000 and 2010, poverty fell from 48.9 percent in 2000 to 40 percent in 2005 to 31.5 percent in 2010, while extreme poverty rates fell from 34.3 percent in 2000 to 25.1 percent in 2005 and to 17.6 percent in 2010. Coupled with this reduction in the national poverty rates, there was a consistent decline in the number of poor people in the country – from nearly 63 million in 2000, to 55 million in 2005, and to 47 million in 2010. Still, an estimated 26 million of people remained in extreme poverty by 2010 down from nearly 35 million in 2005 and 44 million in 2000.

The rapid decline in poverty rates observed over the past decade suggests important changes in the living conditions of the population over time and in the labor markets which have been identified as the most important contributor to poverty reduction in Bangladesh. Yet, household survey data to track living conditions of the population and labor markets in Bangladesh is only collected every five years, with the last rounds of the Household Income and Expenditure Survey (HIES) and Labor Force Survey (LFS) in 2010. The lack of more frequent household survey data significantly restricts the monitoring of the living conditions of the population and tracking changes in the labor markets, which create important barriers to inform public policies based on factual data and support policy decision making.
**Sectoral and Institutional Context**

The main mission of the Bangladesh Bureau of Statistics (BBS) is to provide statistical information to guide policy decision making and inform the national development process. While much has been achieved over the past decade, there is fairly widespread agreement that BBS needs to be strengthened and improved in order to meet current informational needs of the country.

The BBS is in charge of the two most important nationally representative household surveys in Bangladesh – the HIES and the LFS. The HIES is the main instrument used by the government to measure poverty and monitor social indicators and has been collected every five years since the year 2000. In contrast, the LFS is used as the main source of information to track employment, unemployment and labor market performance and it is also currently collected every five years.

The World Bank has been providing technical assistance to BBS for the design and implementation of both the HIES and LFS for many years now. Recently, the General Director from BBS requested technical assistance to support activities aimed at strengthening the capacity of BBS to transition from quinquennial HIES and LFS surveys to triennial HIES and quarterly LFS surveys (QLFS). The teams from the Social Protection and Labor and Poverty Global Practices have agreed to jointly respond to this request and collaborate on the provision of technical assistance to BBS given the large number of synergies that can be leveraged by supporting the HIES and QLFS teams in parallel within BBS.

**Relationship to CAS/CPS/CPF**

The CAS for Bangladesh (2011-2014) identifies important opportunities for poverty reduction through transformations in the labor market. In particular, labor costs in Bangladesh remain low compared to other Asian countries, which provides a strong advantage to foster export-oriented growth based on labor intensive sectors. Furthermore, the Poverty Assessment report completed in 2014 shows that poverty reduction over the past decade is in large part due to increases in labor market income.

In addition, the Seventh Five Year Plan (2016-2020) currently under preparation by the General Economics Division (GED) – the lead economic planning agency in Bangladesh under the Ministry of Planning – will be making extensive use of BBS data to develop country policies and strategies for the next years.

**II. Project Development Objective(s)**

**Proposed Development Objective(s)**

The proposed Project Development Objective (PDO) is to strengthen the capacity of BBS to improve the quality, frequency, and use of the two most important nationally representative household surveys in Bangladesh: the Labor Force Survey (LFS) and the Household Income and Expenditure Survey (HIES) in line with the broader framework of strengthening the national statistical system.

**Key Results**
The key performance indicators for tracking progress towards the PDO are the following:

- Enable BBS to have strengthened capacity to modify sampling frames over time and data entry programs when questionnaires are modified in response to changes in the conditions of the country, revisions in the international codes, or needs for adding new areas of interest.

- Enhance knowledge of BBS staff in data management and increased coordination between the LFS and HIES teams through a common data management framework.

- Foster the use of labor markets and poverty indicators within the country policy dialogue and promote more evidence-based policy decision making.

- Enhance capacity in BBS to undertake more frequent data analysis, dissemination of major statistics, and more policy-oriented outputs produced using the QLFS and HIES data.

- Enhance capacity in GED to formulate economic strategies based on statistical information, particularly in light of the upcoming Seventh Five Year Plan (2016-2020).

### III. Preliminary Description

**Concept Description**

To achieve the PDO, the proposed project activities are organized under three components: (i) household survey design and data management; (ii) data analysis and information systems; and (iii) data dissemination.

**Component 1: Household survey design and data management**

The objective of this component is twofold. First, it is to support BBS in building local capacity on the design of household survey including sampling and survey instruments development. Second, it is to support BBS in developing a comprehensive data and information management framework for the QLFS and HIES with a longer term view. The two key results from this component are the following. First, BBS will have strengthened capacity to modify sampling frames over time and data entry programs when questionnaires are modified in response to changes in the conditions of the country, revisions in the international codes, or needs for adding new areas of interest. Second, BBS staff will have enhanced skills in data management and increased coordination between the LFS and HIES teams through a common data management framework.

**Component 2: Household survey data analysis and information systems**

The objective of this component is to support BBS in the design of data visualization tools for easy access to statistics on labor markets, welfare, and living standards based on the QLFS and HIES data. Further, it is to assist BBS in the production and modification of existing LFS and HIES data reports and documentation to accommodate for the increased frequency of data and the revision of statistics based on recent revisions to international standards. The two key results from this component are the following. First, the use of labor markets and poverty indicators within the country policy dialogue and more evidence-based policy decision making will be fostered. Second, capacity in BBS to undertake more frequent data analysis, dissemination of major statistics, and more policy-oriented outputs produced using the QLFS and HIES data, will be enhanced.
Component 3: Household survey data dissemination

The objective of this component is disseminating and sharing information of evidence-based policy recommendations produced using the HIES and QLFS data. Further, it is to support activities that stimulate more evidence-based policy dialogue in the country and promote the formulation and prioritization of policies based on credible and high quality statistics, such as organizing consensus-building seminars and workshops with local universities and think tanks. The expected outputs include two annual workshops to disseminate findings from the HIES and QLFS data to stakeholders. The expected outcome includes enhanced capacity in GED to formulate economic strategies based on statistical information particularly in light of the Seventh Five Year Plan (2016-2020).

IV. Safeguard Policies that Might Apply

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V. Financing *(in USD Million)*

- **Total Project Cost:** 0.38
- **Total Bank Financing:** 0.00
- **Financing Gap:** 0.00

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VI. Contact point

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