Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 15-Jan-2020 | Report No: PIDC27564

BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
Bangladesh	P167506		Accelerating and Strengthening Skills for Economic Transformation (P167506)
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
SOUTH ASIA	May 11, 2020	Sep 30, 2020	Education
Financing Instrument	**Borrower(s)**	**Implementing Agency**	
Investment Project Financing	People's Republic of Bangladesh	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.

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	819.00
Total Financing	819.00
of which IBRD/IDA	500.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	500.00
IDA Credit	500.00
Non-World Bank Group Financing	
Counterpart Funding	300.00

Borrower/Recipient	300.00
Trust Funds	19.00
European Commission Development Fund - TF	19.00

Environmental and Social Risk Classification	Concept Review Decision
Moderate	Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. **Bangladesh is one of the world's most densly populated and youthful country with an estimated 165 million people in a geographical area of about 144,415 sq.-km and per capita Gross National Income of US$1,751 (WB Atlas method) in 2018, well above the lower-middle-income country threshold.** Economic conditions continued to improve in recent years. The Gross Domestic Product (GDP) grew well above the average for developing countries, averaging 6.5 percent since 2010, with an officially projected growth of 8.13 percent in FY19, driven mainly by manufacturing and construction. Progress on reducing extreme poverty and boosting shared prosperity has continued. The incidence of poverty declined from 44.2 percent in 1991 to 14.8 percent in 2016. Bangladesh's performance against the Millennium Development Goals (MDG) was impressive relative to the South Asia Region average for most of the indicators. Macroeconomic management has been sound. Headline inflation decreased from 5.8 percent in FY18 to 5.6 percent in FY19, reflecting decreases in food prices due to bumper harvests and increased imports. The fiscal deficit was contained at around 3.9 percent of GDP in FY18. Out of the estimated 165 million people of Bangladesh, around 40 percent are below 20 years of age and every year it is estimated that around 2 million youths are newly joining the labor force. This is placing enormous pressure on the economy to create an adequate number of jobs to employ these new entrants in the labor market.

2. **Bangladesh is at the crossroad in the face of a rapidly changing global economy and technologies, needing to adapt to technological changes and advanced information technologies.** Today, Bangladesh is increasingly integrated with the dynamism of the global economy, and new technologies are making inroads into the country. Such changes have been impacting, in myriad and profound ways, the environment of businesses, scenario of job creation, and skills required for jobs within Bangladesh. Jobs Diagnostic Bangladesh 2017 identifies the *labor market and skills* as one of the three policy domains, along with macro-environment & investment climate and

regional & sectoral policies, to direct coordinated policy efforts to achieve faster job creation, better quality jobs, and equitable access to jobs. Low labor productivity is a longstanding headache for Bangladesh; accelerating investments in human capital and addressing skills challenges will hold the key to achieve an economic transition from cheap labor low-productivity to the high skilled high-productivity growth model. New technologies, partly driven by active foreign direct investments, have been gradually coming into the economic fabric of Bangladesh, creating new skills demand. For instance, garment manufacturing industries traditionally relied on the labor-intensive mass-production model; however, with the changing global market needs, the industry has begun to place more importance on the adoption of newer 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, keeping pace with the global trends. Vision2021 envisions that by 2021 Bangladesh will be a country of educated people with skills in information technology.

3. **Bangladesh's female labor force participation (FLFP) has risen substantially; yet, FLFP and quality of jobs for females are still lagging[1].** There has been Remarkable improvement in FLFP was made in Bangladesh in recent decades, raising the FLFP rate from 26 percent in 2002 to 36 percent in 2010, thanks to the expansion of garment manufacturing industries. By comparison, male labor force participation is over 80 percent. Moreover, the improvement in FLFP rates has hit a plateau and been stagnant since 2010. This gender disparity can be attributed to structural barriers, pervasive social norms and lack of a supportive policy environment. 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 process[2]. Increasing women's labor force participation and improving the quality of female employment in the country will require more significant support for women's access to high-quality skills development programs.

4. **Despite the considerable economic progress that the country has made, Bangladesh faces challenges associated with climate change.** The country faces significant development challenges posed by its low and flat topography and vulnerability to floods, torrential rains, erosion, storms and tidal surges due to severe cyclones and landslides. Its vulnerability is exacerbated by climate change-induced increase in frequency and intensity of extreme weather events, sea-level rise. Bangladesh is ranked the 6th most climate-vulnerable country among 181 countries. The risks posed due to the negative impacts on the skills development sector due to climate change include disruption of training activities as well as damages to facilities, including water and sanitation. Amplified disaster and climate risks are likely to translate into adverse outcomes.

Sectoral and Institutional Context

5. **Overall skills attainment in Bangladesh is low.** Only around 46 percent of the population aged 15 years or above have attained secondary, and a fraction (4 percent) have tertiary education qualifications. Quality of education and training is also a significant challenge. For instance, around 60 percent of Grade 8 students do not attain grade-level competency in Math[3]. Participation in skills

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[1] Labor Force Survey, BBS 2010, 2016/17
[2] Raihan, S., & Bidisha, S. H. (2018). Female employment stagnation in Bangladesh. Dhaka.
[3] Learning Assessment of Secondary Institutions (LASI) 2013.

trainings after formal schooling is negligible. Only 2.1 percent of the population had any vocational training outside of the formal schooling system.

6. **Low skills constrain the productivity of Bangladeshi labor force, weakening its position in the global economy, and risking the slowdown of economic growth**. The labor productivity of Bangladesh has been low, ranked only at the 2nd lowest in the South Asia region. Investment in technologies would be important for improving labor productivity[4]. Further, around 60 percent of the employers in Bangladesh have experienced difficulties in filling technical and managerial positions[5]. About 80 percent of the workforce is in the informal sector employment, according to the Labour Force Surveys. In recent years, slow-down in job growth and changing industry dynamics such as fiercer price competition and stricter quality requirements in the ready-made garment sector has become a significant concern for industrialists.

7. **Bangladesh's future opportunities lie with its youthful population and accelerated technological adaption.** The country is undergoing a period of demographic dividend. Its workforce has an abundance of young workers, as 2 million new workers join the labor market every year. As the economy is shifting from agriculture, more of the workforce is finding employment in industry and service sectors. Many of them also find work abroad. Overseas remittances are an increasingly important share of gross domestic product, reported a 10 percent increase in 2019. Internet and mobile technologies have become commonplace, which are increasingly utilized by industries and workers. For instance, Bangladeshi online freelancers earned the 8th largest revenue in the world in 2019[6].

8. **The costs of not preparing the labor force for the future of work are likely to be high.** Enterprises, especially in manufacturing industries, are increasingly becoming technology-driven. New industrial automation machines are coming into the factories, reducing the need for manual works, and improving labor productivity. 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 automation[7]. To support investment and productivity growth in the private industry sector, the government also initiated an ambitious plan to set up economic zones and high-tech parks across the country that would generate strong and geographically concentrated demand for technical skills.

9. **Bangladesh requires a skilled workforce, including women and the disadvantaged, that meet the demands of vital economic sectors. It will involve creating an adaptable skills development ecosystem for the future of work.** Today, 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. The introduction of new technologies can be profoundly disruptive. The ability to use such new disruptive technologies will likely be important for the future of work. As technologies continue to change, enterprises and workers must keep up with new skills requirements. It is difficult to predict the course of technological changes and future business environments beyond the short-term. This presents a unique challenge for skills

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

[5] World Bank. (2016). Skills for Decent Employment.

[6] Payoneer. (2019). The Global Gig-economy Index.

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

development systems. It now must find ways to be adaptive and stay up-to-date with continuous changes.

10.   **The Government of Bangladesh (GoB) has made skills development, including for women and the disadvantaged, a top national priority[8].** The past decade witnessed an impressive pace of expansion of the formal technical and vocational education institutions across different sectors, while demand for technical skills is also growing[9]. Government's demand-stimulating instruments such as poverty-targeted scholarships and tuition support have increased the participation of disadvantaged groups and reduced the gender gap [10]. Despite the recent expansion, the capacity of the skills development sector remains inadequate due to many years of underinvestment in the past and the need for catching up with new technologies and maintaining the quality in the face of rapid expansion.

11.   **Skills development in Bangladesh faces serious challenges both on the demand and supply sides; integrating the two sides would present a promising avenue of opportunity to develop market-relevant training programs, adaptable skills eco-system, and inclusive system for women and the disadvantaged.** On skills demand-side, changing demands for skills, and poor participation of employers in local skills development capacity are posing significant challenges. Also, Bangladeshi society as a whole still holds the poor perception of skills training and vocational education. On skills supply side, significant issues for workers and employers are low relevance and inadequacy of skills programs, resulting in poor employability of graduates. There are crucial skills gaps in today's labor market, notably: strong foundational skills; higher-order cognitive skills; non-cognitive/soft skills; technical competencies for jobs; ICT skills; and job search and career development skills[11]. Job matching mechanisms for students and workers are inadequate. Market relevant training needs to become more accessible for women and the disadvantaged. Only two percent of low-income workers received any skills training for their works[12]. Some of the key issues that the Bangladesh skills ecosystem is facing today include the following:

(i)   **Weak industry partnership and private sector integration to generate demand-driven skills programs:** The skills development sector has been slow in harnessing effective partnerships with private industries. Industry participation in designing skills programs such as curriculum development and teacher training occurs only on a limited scale. The government's support for incentivizing industries to engage in skills development have been ad-hoc. Skills

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[8] The 7th Five Year Plan

[9] TVET enrollment has nearly tripled from 76,500 in 2009 to 201,700 in 2015. Graduate employment rates of technical diploma students are often better than college graduates, and polytechnic graduates are enjoying wages that are comparable to the national averages.

[10]   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
[11] World Bank. (2018). Bangladesh Skills for Tomorrow's Jobs. Dhaka

[12] Labour Force Survey 2016. One percent of the poorest quintile and two percent of the 2nd quintile workers received training over the past six months. The share is 10 percent for the richest quintile.

provision by private industries is not widely practiced for reasons such as lack of capacity and risk of turn-overs of trained staff[13].

(ii)   **Low quality and poor flexibility:** The Technical and Vocational Education and Training (TVET) sector have a number of constraints in the quality and market relevance of training programs. There are limited flexibility and inadequate industry participation in curriculum development to reflect the latest technological changes. Low quality of teaching-learning environment is a longstanding issue in training institutions, such as inadequate modern teaching-learning equipment and insufficient teacher training opportunities.

(iii)   **Insufficient and unequal access to skills development opportunities**: Overall, skilling and re-skilling opportunities are still inadequate compared to surging demand with 2 million new graduates[14] and 62 million workers needing re-skilling[15]. Access to skills has been biased. Getting skills training is particularly difficult for female workers for various socio-economic reasons[16]. Poorer segments of the labor force have much lower exposure to skills training[17]. The informal sector workers in small enterprises have long been neglected in skills development[18]. Moreover, formal TVET programs have an entry requirement based on education attainment (i.e., Grade 8). This requirement effectively bars many disadvantaged people from accessing skills development opportunities through formal TVET channels.

(iv)   **Weak coordination and sector management:** There are fragmentation and institutional capacity constraints in the skills development ecosystem of Bangladesh. There are 22 Ministries[19] associated with skills development with minimal coordination. The quality assurance mechanism is fragmented. Labor market research is weak to identify future skills demands.

12.   **The World Bank supported the government's effort through Skills and Training Enhancement Project (STEP) (2010-2019) and Northern Areas Reduction of Poverty Initiative (NARI) (2012-2018).** STEP was implemented under the Ministry of Education (MoE) with the aim to enhance teaching and learning environments in TVET institutions and improve market relevance of TVET through partnerships with ministries, industries, and global TVET leaders and to improve access and equity in TVET for female students and students from disadvantaged households, with a total of around 600,000 beneficiaries. NARI aimed to facilitate 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). The project provided technical training, life skills training, and job placement services for around 9,000 women.

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[13] 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.

[14] The Sixth Five-year plan estimation

[15] Labor Force Survey (BBS, 2016). It is estimated that around 43 million male and 19 million females are in the labor force of Bangladesh.

[16] Bangladesh Skills for Tomorrow's Jobs, World Bank 2018

[17] Bangladesh Jobs Diagnostics, 2017

[18] Labor Force Survey 2016. The breakdown of informal employment across economic sectors in Bangladesh is Agriculture (49%); Industry (21%); and Service (30%). Within sectors, 98%, 90%, and 71% of employment in Agriculture, Industry, and Service sectors, respectively, are in the informal sector.

[19] Technical and Madrasa Education Division (TMED) under the Ministry of Education is responsible for the service delivery of Secondary and Post-Secondary/Tertiary level TVET

Relationship to CPF

13.	The proposed project is fully aligned with the Country Partnership Framework (CPF) FY2016-2020 for Bangladesh. The project supports the CPF's Focus Area 2: Objective 2.1 Improved Equity in Access and Quality of Education and Quality of Education and 2.4 Enhanced Rural Income Opportunities for the Poor. It will directly contribute to IDA's envisioned efforts under this focus area by reforming technical and vocational skills development =. The proposed project is also aligned with the findings of Bangladesh Systematic Country Diagnostic, which notes that half of the net increase in Bangladesh's employment was due to increases in women's employment. It is also aligned with the Human Development and Social Inclusion goals of the CPF as well as the Gender and Jobs corporate priority areas as it aims to increase women's skills and access to jobs. The project incorporates lessons from the literature on women's economic empowerment, which recognizes that building skills, addressing early marriage, and incorporating knowledge on rights promotes women's economic empowerment.

14.	The proposed project also complements the government priorities in the skills development sector as higher investment in skills development to support the adoption of new technologies is placed at the top of national development agenda in the 7th Five-Year Plan (FY2016-FY2020) to improve labor productivity, promote gender and income equality, and boost job creation. The 7th five-year plan also recognizes the need for increased private sector participation in the skills development and training with a focus on economic zones in addition to other priority sectors. National Education Policy (NEP) 2010 recognizes the current constraints of the TVET system in ensuring relevant skills to meet the demand of the workplace and envisages to increase the share of students, emphasizing on females, in the TVET system through an expansion of access to quality TVET.

C. 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.

Key Results (From PCN)

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

1. Employment rates of graduates of project supported skills development courses (% employed in an area relevant to training)
    a. Sub-indicator: Employment rates of female graduates of project supported skills development courses (% employed in an area relevant to training)

2. Percentage of employers satisfied with skills of graduates of skills development programs supported by the project
3. Total number of workers trained through industry-led training programs under project-supported public and private partnership (% female)
4. Total number of informal sector workers and vulnerable women trained and employed/self-employed

Corporate results indicators to be included are (i) teachers trained and (ii) students benefiting from direct interventions to enhance learning. Both will be included as output level indicators.

D. Concept Description

15. The project will help Bangladesh build a **highly skilled labor force in priority sectors**, <u>aligned</u> to the future of work, and <u>inclusive</u> of women and disadvantaged groups. The project will contribute to achieving this goal by addressing the demand and supply sides of the skills eco-system together:

(i) equipping youth and workers with skills that **fit** the future of work and better employment, and connecting them with the labor market more efficiently,
(ii) **shift**ing skills system to be responsive, agile, and demand-driven, and
(iii) **lift**ing the skills and labor market outcomes for women and the most disadvantaged groups.

16. The project will embrace a range of new and innovative approaches, building on experience of the two previous projects (STEP and NARI), to enhance the skills development in Bangladesh to be market-driven and inclusive:

a. **Mainstreaming private sector integration**: Strong private sector participation through innovative multi-sectoral partnerships (including enterprise-based training) and innovative strategies for matching job-seekers to jobs

b. **Tailored skills for targeted sectors:** Focus on priority sectors and economic zones

c. **Targeting the informal sector**: Skills generation and entrepreneurship for the informal sector

d. **Cutting-edge evidence and partnerships for inclusion**: Use the latest insights from behavioral economics and leverage NGO/GO networks to improve outcomes for women and disadvantaged groups

e. **Harnessing disruptive technology throughout:** to meet the emerging skill demands, for employment generation, for job matching, and to deliver training

Moreover, the project will prioritize the inclusiveness of women and the disadvantaged across all the components to ensure inclusive skills development programs.

17. **Three key drivers of change:** The proposed project will have three priority areas, which are built upon three conceptual pillars, namely, *Fit-Shift-Lift*, to achieve the PDOs.

Pillar 1 (Fit): Generate Demand-Driven / Job-Linked Skills in Priority Sectors
(a) Expand enterprise-based skills training programs
(b) Establish skills training programs for industrial zones
(c) Leverage cutting-edge strategies for 'matching' skills demand & supply

Pillar 2 (Shift): Link the Skill Eco-System to the Skills Demand and Make it Adaptable for Future Demands
(a) Nurture a pool of diverse private industry partnerships for skills development
(b) Strengthen of capacity of private sector/ skills agencies for skills search, analysis and forecasting

Pillar 3 (Lift): Ensure that Skills Systems benefit the most disadvantaged.
(a) Specialized outreach and skills/employment programs for women and disadvantaged
(b) Foster entrepreneurship, match-making, and complimentary services for informal sector

18.   **Main beneficiaries:** The beneficiaries of the proposed project would include: (i) students and teachers in TVET; (ii) workers and professionals in formal and informal sectors; (iii) disadvantaged women and youth; and (iv) employers.

19.   **Addressing Climate Change:** In anticipation of growing risks from climate change, the country needs to take steps to enhance the capacity of a vulnerable population to mitigate the damage and adapt to the changes to their livelihoods and build the ability of industries to reduce greenhouse gas emissions. The project will help develop the skills of vulnerable populations, mitigate the negative consequences of climate change, including displacement and loss of livelihood. The project will also support skills training programs for enterprise workers and managers with a focus on more efficient use of resources and better environmental management to improve the resource efficiency and management of industrial production centers.

Component Design:

Component 1: Fit - *Generate Demand-Driven / Job-Linked Skills in Priority Sectors* (IDA: US$250 million)

Sub-component 1.1: Expanding Enterprise-based and Market-Demanded Short-term Training:
20.   This sub-component will promote the demand-driven skills supply and employment through **enterprise-based short-term skills training programs** based on public and private partnership (PPP) with industry associations and industrial zones[20]. The PPP arrangement for enterprise-based training is at the nascent but promising initiative in Bangladesh. The project support will contribute to mainstreaming it to expand market-driven skills training. The partnership will leverage the cost- and expertise-sharing modality to maximize financial and technical resources for development. Industry groups themselves will design and propose the packages of training programs to meet their own skills needs. It will target both employed and unemployed workers, including women,

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[20] Potential industry partners may include Bangladesh Employers Federation (BEF), Chambers of Commerce and Industry, Bangladesh Garment Manufacturing and Exporting Association (BGMEA), Bangladesh Association of Software and Information Services (BASIS), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Shipbuilders' Association, Bangladesh Pharmaceutical Society, Bangladesh Women Chamber of Commerce and Industry (BWCCI), Bangladesh Agro-Processing Association (BAPA), etc. Industrial zones would include Economic Zones (EZs) under Bangladesh Economic Zone Authority (BEZA), Hi-Tech Parks (HTPs) under Bangladesh Hi-Tech Park Authority (BHTPA), and Export Processing Zones (EPZs) under Bangladesh Export Processing Zone Authority (BEPZA).

less well-educated, and disadvantaged. Training programs to promote female workers will be given priority. It will align with other Bank-supported projects (in particular, the PRIDE project) supporting industry zones by strengthening skills supply systems. The project will set up independent evaluation teams to validate the compliance and outputs of the enterprise-based training programs to ensure integrity and accountability and get beneficiary feedback.

21.   This sub-component will support the expansion of market-demanded trades in **formal short-course training programs** by public and private Technical Training Centers (TTCs) affiliated to DTE and BMET. These short-course TVET programs have demonstrated healthy employment outcomes[21] and are a promising avenue to tackle surging youth unemployment and meet industry needs. As industry needs shift, TTCs need to increase capacity for establishing and expanding newly demanded trades. Expansion of emerging market-demanded courses, implementation of NTVQF, graduate tracking system, female enrollment, and job placement services among short-term programs will be promoted. Digitization of training programs and employment services would also be supported.

Sub-component 1.2: Promote Market Linkages and Employment Service for High-Quality TVET:

22.   This sub-component will aim to enhance job market linkages and employment outcomes of TVET institutions. It will strengthen curriculum, student assessment, and teaching and learning materials, including soft skills development and entrepreneurial skills development based on existing frameworks, e.g., the European Entrepreneurship Competence Framework (EntreComp)[22]. Institutional development grants will support the strengthening of diploma programs through industry collaboration, job placement services, and improved learning environment. The project will also support the professional development of teachers and leverage the synergy with JICA's technical assistance. To enhance the use of digital technologies, a few selected polytechnics with computer science courses will be supported to upgrade their campus with digital technologies. A model institution would be established in a suitable location secured by the government with technical support from an internationally reputed institution.

23.   This sub-component will also support the health sector to strengthen the quality of skills training for medical technicians (MTs). Leveraging the cross-ministerial set-up, the project will support the standardization of certification and curriculum and improvement of the capacity of faculty and institutes/colleges for MTs. Skills development of MTs has been excluded in the health sector program and has a direct linkage with the education sector through certification and registration of programs.

Component 2: Shift - Link the Skill Eco-System to the Demand, and Make it Adaptable for Future (IDA: US$50 million)

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[21] Under the Skills and Training Enhancement Project (STEP), these short-courses have improved their employment rate significantly, while expanding the access.

[22] European Entrepreneurship Competence Framework (EntreComp) is a common reference framework that identifies 15 competences in three key areas that describe what it means to be entrepreneurial. EntreComp offers a comprehensive description of the knowledge, skills and attitudes that people need to be entrepreneurial and create financial, cultural or social value for others.

Sub-component 2.1: Strengthening system-level capacity for labor market adaptability, employment, and industry coordination:

24.   The project will support the institutional capacity strengthening of key central skills and employment agencies. It will support the strengthening of functions of central agencies for skills demand analysis and forecasting in key sectors in Bangladesh and overseas job markets, including National Graduate Tracking System (NGTS), to inform the skills development system on changing skills needs and labor market trends. Career counseling with industry partnership and public employment support services will also be explored to facilitate efficient job matching.

25.   The project will provide direct technical and financial support to the NSDA and ISCs to facilitate skills sector-wide coordination efforts and coordination with industries to strengthen the linkage between skills development, employment and enterprise sectors.

Sub-component 2.2: Enhancing social marketing for greater participation and innovation in skills development:

26.   The project will support the next generation social marketing strategy for skills and further upgrading and expansion of skills competition programs.

Component 3: Lift - Ensure that Skills Systems benefit the most disadvantaged (IDA: US$180 million)

Sub-component 3.1: Specialized outreach, skills, and entrepreneurship program for women and the disadvantaged:

27.   This component will support the expansion of skills development and employment generation programs for the most disadvantaged groups of the population through partnerships with non-governmental organizations (NGOs). Target groups would include informal sector workers, micro, small, and medium-sized enterprises (MSMEs), women, less well-educated, and people with disabilities (PWD). The skills development system in Bangladesh has mostly failed to address the skills needs of these groups. The project will significantly increase the flexibility and outreach capacity of the skills development system for these groups. Since these target groups are hard-to-reach, the project will form partnerships with selected highly reputed local NGOs that have extensive experience and expertise in supporting those groups. To address the issue of lack of employment opportunities, entrepreneurship programs with potential seed funding access will also be supported.

28.   The project will also support the empowerment and skilling up of marginalized women towards their employment through the Ministry of Labor and Employment (MoLE). The project would support the construction and renovation of training centers of MoLE for vulnerable women to give women from disadvantaged backgrounds a chance to have opportunities at the high growth centers for higher-level training and jobs. Through MoLE, the project would also support the construction of two community and skills centers near high growth industrial locations to address the complex and multifaceted needs of poor, unskilled and unemployed urban women by providing residential, training, medical, and childcare facilities. An Information, Education, and Communication (IEC) campaign will also be supported, targeting marginalized women from vulnerable areas. The project will support refining, institutionalizing and continuing the RMG training as well as the development of training modules for

employment in ICT, child and elderly care, micro-work and other demand-driven programs. Job placement activities will include awareness-raising with potential employers to promote the training program, inform them about why and how they should participate in the program (sponsoring, on-the-job training, placement services), and emphasize their responsibilities vis-à-vis the workers; and undertake regular local rapid labor market assessment in order to foster responsive and flexible training. An entrepreneurial development cell will also be established under the project to connect graduates with existing markets, create new ones and develop business skills since many of the graduates may prefer their own entrepreneurial ventures as opposed to employment. All the facilities set up by the project under MOLE will include job-placement services.

Sub-component 3.2: Recognizing the skills of informal sector workers:
29.   Recognition of Prior Learning (RPL) offers informal sector workers a chance to gain formal recognition of their hard-earned practical skills based on NTVQF. RPL has a significant positive impact on workers' confidence and improving employment outcomes. RPL assessment opportunities will also be made available to returnee migrant workers.

Component 4: Project Management, Communication and Monitoring & Evaluation (IDA: US$20 million)
30.   The project will support the establishment and operation of the Project Implementation Unit (PIU), PIU's communication strategy, and effective monitoring and evaluation (M&E) system.

The project will aim to undertake rigorous impact evaluations (IEs) with a randomized control trial (RCT) design. Possible areas for IEs will be identified during the project preparation.

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

Summary of Screening of Environmental and Social Risks and Impacts

Environmental Risk Rating   **Moderate**

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 mainly during construction include (i) establishment of a Model Skills Institution (ii)

rehabilitation/renovation/refurbishment of existing building, classrooms, workshops, and library, (iii) updating and enhancement of workshop and laboratory facilities of public Technical Training Centers (TTCs), and (iv) construction of female dormitories and /or sanitation facilities at the polytechnics. 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.

Social Risk Rating   **Moderate**

No land acquisition will be required for the project. All infrastructure-related civil works such as site development, construction, upgradation and refurbishment are expected to be carried out within existing infrastructure or on land that is already the property of the ministry or agency concerned. However, there might be a presence of squatters and/or encroachers on some of the proposed sites who could be adversely affected from these civil works. 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.

The civil and infrastructure-related works will entail hiring of direct, contracted, community and primary workers. However, given the minor nature of the civil works there will be a limited flow of workers from other regions of the country to the project sites. The project's Labor Management Procedures (LMP), including site-specific Labor Management Plans, will promote better labor management practices and sanction with penalties and other appropriate legal measures the use of child labor in all project activities. Similarly, the project's potential impact on the health and safety of communities will also be limited due to the on-campus nature of project activities. Civil works are usually associated with increased gender-based violence and, therefore, a gender-based violence assessment will be carried out, with mitigation taking place using the appropriate social management plans.

A considerable percentage of beneficiaries are expected to come from indigenous communities and also be representative of other marginalized and disadvantaged groups. The borrower will prepare a Small Ethnic Community and other Vulnerable and disadvantaged Peoples Development Framework (SECVDPF) that will provide the necessary guidelines in designing and delivering project benefits which are appropriate to the needs and cultural traditions of the social groups involved.

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APPROVAL

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