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Project Information Document/Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 13-Jul-2017 | Report No: PIDISDSC21496
BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
<th>Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>P163250</td>
<td></td>
<td>Sustainable Enterprise Project (P163250)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOUTH ASIA</td>
<td>Oct 29, 2017</td>
<td>Jan 15, 2018</td>
<td>Environment &amp; Natural Resources</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Government of Bangladesh</td>
<td>Palli Karma-Sahayak Foundation (PKSF)</td>
</tr>
</tbody>
</table>

**Proposed Development Objective(s)**

To increase adoption of environmentally sustainable practices/technologies by targeted microenterprises funded by PKSF and its partner organizations in Bangladesh.

**Financing (in USD Million)**

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing Agency</td>
<td>17.00</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>100.00</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td>117.00</td>
</tr>
</tbody>
</table>

**Environmental Assessment Category**

- B-Partial Assessment

**Concept Review Decision**

Track II-The review did authorize the preparation to continue

**Note to Task Teams:** End of system generated content, document is editable from here.

Other Decision (as needed)
B. Introduction and Context

Country Context

1. Environment sustainability and climate resilience are becoming increasingly important for sustaining Bangladesh’s impressive economic progress. Recent studies suggest that annually about 4 percent of gross domestic product (GDP) is lost and 22 percent\(^1\) of diseases are caused due to environmental degradation. Bangladesh ranks globally as the country with its economy most at risk due to the impacts of climate change. With two thirds of its landmass less than five meters above sea level, the country is very vulnerable to sea level rise, cyclones, storms and storm-induced tidal flooding. Intrusion of saline water into shallow groundwater aquifers threatens freshwater supplies, with adverse consequences for agriculture and people’s health. According to a World Bank study,\(^2\) 5.3 million of the poor in Bangladesh will be vulnerable to the effects of climate change in 2050. The Seventh Five Year Plan emphasizes pro-poor economic growth while recognizing that poverty, growth and environmental sustainability are inextricably linked in Bangladesh. The Seventh Five Year Plan aims to support growth and development that are both sustained and sustainable.

2. The Government recognizes the importance of the private sector and the country is known for its success in pioneering approaches that support microenterprises as a means of poverty alleviation. In a market economy like Bangladesh, the role of planning is essentially indicative and strategic in nature, aimed at stimulating the private sector. Microlending that boosts the development of microenterprises among the poor\(^3\) was pioneered in Bangladesh and is widely used as a channel to provide financial and technical assistance to the poor. Microenterprises are important vehicles for diversifying economic activity, and have the ability to make significant contributions to the economic and social well-being of the poor. These enterprises contribute to enhanced competition, promote entrepreneurship and innovative ideas, and strengthen resilience, and are important elements of equitable growth in both urban and rural areas within the country’s dynamic and rapidly changing economy.

Sectoral and Institutional Context

3. Half of the country’s population is dependent on microenterprises for their livelihoods. According to the Bangladesh Bureau of Statistics Economic Census 2013, out of a total 7.8 million enterprises in Bangladesh, 89 percent are microenterprises (including cottage enterprises). These enterprises together account for 56 percent of the total 24.5 million persons engaged in all enterprises. The microenterprise sector in Bangladesh comprises a heterogeneous group of agricultural and industrial subsectors and services such as agroprocessing, crops, poultry, fisheries, livestock, rural nonfarm, handlooms and handicrafts, plastic products, textile dyeing and block printing (manual), footwear, computer software and information technology, silk weaving, small grocery stores, and petty trades. These enterprises account for roughly 25 percent of GDP.

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\(^1\) Seventh Five Year Plan: Background Paper for Environment, Forestry and Biodiversity Conservation.


\(^3\) A microenterprise is defined by the Bangladesh Bank as an industry that has the value (replacement cost) of fixed assets, excluding land and building, of US$12,500 to US$93,750 or with 16 to 30 workers, including household members; and a microenterprise in the service sector is defined as an enterprise where the value (replacement cost) of fixed assets, excluding land and building, is less than US$12,500 or with less than 15 workers. The Palli Karma Sahayak Foundation (PKSF) defines a microenterprise as “any business activity that has investment up to US$18,750 (excluding land and building).” The International Finance Corporation defines a microenterprise as having fewer than 10 workers, total assets of less than US$100,000, and annual assets of less than US$100,000. The project will follow PKSF’s definition of microenterprises, which is accepted by the Microcredit Regulatory Authority.
4. Because of the number of microenterprises, their cumulative environmental ramifications are of growing concern, especially when microenterprises of a particular type operate in clusters. As per the Environmental Conservation Rule (1997), microenterprises should obtain an environmental clearance certificate. Unless there is any complaint, the microenterprises are generally not in the radar of the regulatory authorities. In the Bangladesh Bank guidelines to commercial banks, there is no mention of an environmental clearance certificate as a prerequisite for loans less than US$3,150. The Palli Karma Sahayak Foundation (PKSF), an organization established by the government to reach out to the poor, introduced environmental health and safety guidelines for microenterprises; however, an environmental audit showed that only 6 percent of microenterprises disposed wastes properly (figure 1).\(^4\) In Bhairab, each footwear manufacturing microenterprise produces on average about two kilograms of waste (plastic and artificial rexins) daily, which is disposed directly into open places, including fields and a nearby canal. Cumulatively, 10,000 kilograms of waste from 5,000 microenterprises of the Bhairab cluster are disposed into open spaces every day.\(^5\) In Jessore, an assessment of a cluster of 3,880 auto workshops showed that not a single workshop practiced occupational health and safety, waste management, or noise and air pollution control measures. A recent study of 177 micro and small industry clusters found that around 81 percent of the clusters were causing air pollution, and 85 percent of the clusters’ entrepreneurs and workers were not aware of noise pollution from their enterprises.\(^6\) Lack of technical and financial capacity within these microenterprises is a chronic problem, particularly where they depend on, or impact, vital natural resources. Mitigation of this long-standing problem demands public sector involvement to facilitate clean and green development of these industries.

5. Microenterprises, in both rural and urban areas, are among the most vulnerable to the impacts of natural resources degradation and climate change. Many microenterprises are dependent on natural resources; hence, unplanned use or exploitation of those resources puts the viability of the enterprises at risk in the long run. An example common to many countries in the region is aquaculture development, where misuse of the environment resulted in collapse of the sector (as in Sri Lanka in the 1990s). This is particularly the case in areas that are already environmentally stressed, resource degraded and climate vulnerable. The impacts of climate change are generally superimposed on existing vulnerabilities and environmental threats, including water salinity, loss of soils, and stress on ecosystems, all of which are expected to be exacerbated by climate change, as temperatures rise and rainfall becomes more erratic. Climate change will further reduce access to drinking water and arable agricultural land, posing a threat to food security and negatively affecting the health of the poor, in particular. Extreme climatic events, including floods and droughts, and stress on water resources are expected to increase. These events will negatively impact especially those who have limited mobility due to their economic circumstances and limited land access. This underscores the importance of an integrated approach to promoting broader environmental sustainability and climate resilience in

\(^4\) Environmental audit of microenterprises under International Fund for Agricultural Development (IFAD)-assisted Finance for Enterprise Development and Employment Creation (September, 2013). A single enterprise may use multiple disposal methods.

\(^5\) Field monitoring by PKSF.

\(^6\) SME Clusters in Bangladesh, SME Foundation.
supporting microenterprise development, with a particular focus on the areas that are under the highest stress and thus have an immediate need for transformative action.

6. To achieve the vibrant growth of microenterprises in the long run, the sector needs to (a) boost its growth potential; (b) reduce health risks and natural resource pressures; and (c) take advantage of the economies of scale offered by clusters for marketing, economic benefits, and improved environmental management. While the statistics shows a high contribution to GDP from microenterprises, there is little evidence to show that microenterprises are growing in a sustainable way. According to a Small and Medium Enterprise (SME) Foundation survey conducted in 2006–07, the performance of micro, small and medium enterprises (MSMEs) is limited in terms of revenue earnings, machinery use, capital-labor ratio, and growth of value added, except labor productivity in some instances. Negative externalities, such as pollution, health impacts, or loss of productivity, are typically not reflected in costs, thereby reducing the incentive for microenterprises to shift to more sustainable goods and services, or collectively invest in better environmental technologies and infrastructure. A study by PKSF showed that 73 percent of microentrepreneurs believed that better application of environmental health and safety guidelines resulted in greater profit and social accountability in business. In addition, deficient physical infrastructure linking microenterprises to markets, and a lack of reliable and cost-effective utility services, constitute major impediments to microenterprise development in Bangladesh. It is widely acknowledged that greater investment in and better performance from existing infrastructure facilities and utility services would have high returns in terms of reduced costs of doing business. Cluster development has been demonstrated as a means to address these challenges for microenterprises, which are often co-located in the same geographic area and share common opportunities and challenges. However, the efficient use of the cluster concept in Bangladesh is still in a nascent stage. Enterprises may be co-located, but they do not yet interlink either vertically or horizontally with each other. There are significant opportunities for microenterprises to make better use of the advantages of a cluster approach, thereby strengthening business growth and lowering the costs of needed environmental improvements.

7. Better access to and design of formal financing can further help microenterprises to be environmentally sensitive and invest in improving resilience. Microenterprises have limited access to formal sources of finance due to weak credit market infrastructure, information asymmetries, and risk aversion. The majority of microenterprise investment is financed out of informal sources such as individual savings and informal loans from friends and relatives. Informal moneylenders, however, charge exorbitant interest rates, in the range of 180 to 240 percent a year, which makes it difficult for microenterprises to sustain borrowing from these types of informal sources. Semiformal institutions such as microfinance institutions (MFIs) have the potential to alleviate microenterprises’ credit constraints. Those MFIs or partner organizations (POs) who borrow from PKSF mobilize savings from members and obtain donations from foreign organizations, while effectively charging 25 percent interest rates, ensuring a sustainable source of borrowing for microenterprises. Further, in the absence of well-designed technical and financial support, microenterprises, which typically operate within a very narrow profit margin, are often forced to maximize short-term sales, ignoring the environmental consequences and long-term financial sustainability. While the current lending ecosystem does not take into account the environmental and climate impacts or benefits of microenterprise projects, the government is interested in promoting innovation in microfinance that will help consolidate economic and environmental gains.

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Environmental audit of microenterprises under IFAD-assisted Finance for Enterprise Development and Employment Creation (September, 2013).


8. **Building environmental sustainability into microenterprise financing operations can bring sector wide transformation.** The International Labor Organization (ILO) defines sustainable enterprises as those that recognize the economic and social aspirations of people inside and outside the organization on whom the enterprise depends, as well as the impact on the natural environment. The integration of environmental sustainability is often perceived in terms of costs, and in some cases it indeed requires additional capital investments or operating costs. However, there are also growing examples that demonstrate that more efficient use of resources improves profits and that “green” activities and products can enjoy better market access, including through greening supply chain initiatives. For example, crab cultivation in Bangladesh is an emerging industry that currently depends on harvesting seeds in the wild. Cultivation of crab seeds could potentially be a very important new industry for Bangladesh with high export value, if managed in a sustainable way. Sustainable enterprise differentiates itself from the conventional way of doing business by reducing the amount of natural resources needed to produce products through more resource-efficient processes that also reduce the negative externalities associated with waste and pollution. In this way, there are possibilities to add premium to products to increase profit margins and enhance access to new and niche markets.

**Relationship to CPF**

9. **The Sustainable Enterprise Project directly addresses all three focus areas of the Country Partnership Framework (CPF) (FY2016–FY2020):** growth and competitiveness, social inclusion, and climate and environmental management. The proposed project will support these pillars through (a) raising the standards in microenterprises to a level where they are not faced with workplace and environment-related safety risks by securing basic safety standards in microbusinesses that use machinery and electrical equipment or products, and investing in common service facilities for product marketing (CPF objective 1.4: Enhanced business environment and trade facilitation); (b) strengthening and expanding livelihood opportunities for the microenterprises by supporting investment in activities that are environmentally sustainable (CPF objective 2.4: Enhanced rural income opportunities for the poor); and (c) providing the first level of basic services and health for the intended clients so as to increase their productivity and ability to take up economic activities in the climate-vulnerable and disaster-prone areas (CPF objective 3.1: Increased resilience of population to natural disasters in urban and coastal areas, and CPF objective 3.2: Improved water resource infrastructure for climate resilience). Overall, the project supports the key transformation (adaptive delta management) and foundational priorities (institutions and business environment) identified by the Systematic Country Diagnostic.

10. **The project intervention will be multi-sectoral in nature, which will complement a number of World Bank-funded projects and create a platform for cross-GP collaboration.** The Sustainable Forestry and Livelihood Project and the Sustainable Coastal and Marine Fisheries Development Project in Bangladesh target the forestry- and marine fisheries-dependent communities respectively to optimize resource management and enhance the regulatory environment in the forestry and marine fisheries sectors. Similarly, the National Agriculture Technology Project deals with the farmer community and enables greater regulation in the agricultural sector. The proposed Sustainable Enterprise Project will benefit from resource management and regulatory interventions supported under the above-mentioned projects (such as access rights to fisheries and land resources). In addition, the common facilities and services provided by the project to support resilient business can create a strong synergistic platform for other projects dealing with livelihoods, including the Nuton Jibon Livelihood Project (NJLP), which supports the ultra-poor in a targeted community. Thus, the project will avoid duplication of activities in locations where it overlaps with other projects. Some of the microenterprises supported by the proposed project are at the starting point of the value chain for the environmentally polluting small, medium and large enterprises in the leather, footwear, plastic and light engineering industries, which eventually contribute to ensuring continuity of environmental sustainability in the clusters supported by the Export Competitiveness for Job Project.
C. Proposed Development Objective(s)

**Note to Task Teams:** The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

To increase adoption of environmentally sustainable practices/technologies by targeted microenterprises funded by PKSF and its partner organizations in Bangladesh.

Under this project, “sustainable enterprises” are defined as those that use resource inputs more efficiently, and/or introduce health and safety measures, and /or adopt cleaner or low-polluting technologies and practices, and /or invest in new green businesses such as ecotourism, or promotion of green innovation (for example, offering technical assistance to introduce environmentally friendly techniques).

Key Results (From PCN)

**11. Proposed PDO-level indicators are:**

(i) Share of targeted microenterprises that adopt at least one environmentally sustainable practice and/or technology supported by the project (%);

(ii) Share of targeted female beneficiaries that open a bank account (%) (gender indicator);

(iii) Share of targeted beneficiaries with rating “satisfied” or above on project interventions (disaggregated by sex) (citizen and gender indicator).

Key intermediary outcome indicators may include (a) volume of “green financing” in PKSF portfolio; and (b) number of POs involved in green financing

D. Concept Description

**12. Building on local demand for climate change adaptation demonstrated under the World Bank-supported Community Climate Change Project (CCCP), this project seeks to expand support to integrating environmental sustainability in microenterprise development as a means of strengthening resilience and livelihoods.** CCCP was implemented through nongovernmental organizations (NGOs) and increased the resilience of households to both current and future climate stresses by assisting them to improve infrastructure, adopt climate-resilient agricultural practices, and identify innovative sources of income. The competitively selected NGOs helped to introduce innovative adaptation practices in new locations, drawing on indigenous knowledge and with technical support from the project. Such approaches provided new opportunities for women to enter the workforce and had wide demonstration effects beyond the targeted beneficiaries. Collectively, these changes exemplified the capacity of local communities to become more financially self-reliant and resilient to extreme weather and climate risks. The concept of the proposed project

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10 Höhne / Khosla / Fekete / Gilbert (2012): "Green finance is a broad term that can refer to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy. Green finance includes climate finance but is not limited to it. It also refers to a wider range of other environmental objectives, for example industrial pollution control, water sanitation, or biodiversity protection." Definition of Green Financing by Nannette Lindenberg (April, 2014); German Development Institute
builds on the needs of the local communities to move toward resilient livelihoods, from climate, environmental, and economic perspectives.

13. **The proposed project will support microenterprises in areas that are environmentally stressed and vulnerable to climate change and natural disasters** (including those prone to floods, drought, flash floods and salinity). This focus is based on the premise that there is a great need and demand for development of alternative livelihoods in those areas. The distinctive features of the project, which differentiate this project from other livelihood programs, are its interventions to build resilience and promote sustainable technologies and practices among communities in environmentally vulnerable areas, and to adopt basic operational safety norms in project-supported enterprises. To maximize the positive environmental impacts, the project will prioritize polluting microenterprise business clusters and will support expansion of economic activities that will help to achieve a cleaner environment (figure 2).

**Figure 2. Design Narrative: Issues to Target**

14. **The proposed project will consist of the following components:**
   - **Component 1: Supporting environmentally sustainable microenterprises**
   - **Component 2: Enhancing service facilities and enabling systems**
   - **Component 3: Institutional and individual capacity development and raising awareness**
   - **Component 4: Project management, monitoring and evaluation, and knowledge management**

Components 1, 2 and 3 are designed to be complementary. Component 1 is a line of credit facility that will increase access to finance for microenterprises operating within a business cluster. Targeted microenterprises under this component will receive not only a loan (Component 1) but also a package of services (Components 2 and 3). The use of a business cluster and value chain approach to the intervention supported under Component 2 is intended to ensure faster scale-up after initial demonstration of successful cases, which will be disseminated through knowledge management. Component 3, though the allocation in terms of monetary value is smaller, plays a critical role in raising awareness and building capacity to generate demands for loans and shifting microenterprises toward greener investments. The Kenya MSME Competitiveness Project (P085007) stated that a principal conclusion of a review of past MSME projects was the need for an integrated package of interventions (access to finance, improvements in the
business environment, and capacity building through business development services) that address interrelated constraints and enable microenterprises to access markets on a sustainable basis.

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SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project initially identified 52 districts. Further studies will be carried out during project preparation to identify the locations and districts. The focus will be in the manufacturing and agribusiness sector. The Project does not envisage any significant or irreversible environmental/social impacts. Overall the project will contribute towards generating significant positive environmental and social impacts as it will improve the occupational health and safety at all the micro-enterprises and promote environmental standards. Component 2 of the project may involve small up-gradation of existing market facilities, toilet construction and small scale desalination plant establishment. No large scale or new infrastructure development is envisioned.

The project is classified as a Category B project and the Environment Assessment (OP/BP 4.01) safeguard policy has been triggered. In view of the limited information (subproject nature, location etc.), a framework approach for environmental and social management has been adopted for the project. The project will retain the option of voluntary contribution of land, and/or direct purchase collectively by the beneficiary community. The POs may also opt to purchase the lands directly, if the communities are unable to. However, under unavoidable circumstances, there may be a slim possibility of small scale land acquisition. It is also probable that identified public lands may be occupied by squatters or lease owners (residing and/or drawing an income from the land). There is also a possibility that the project will work in areas where indigenous people reside. Thus both OP 4.12 and OP 4.10 are triggered.

The Environmental and Social Management Framework, and Resettlement Policy Framework (ESMF& RPF) will be prepared in accordance with ECR 1997 of Bangladesh and the Safeguard Policies of the World Bank and the Environmental, Health and Safety Guidelines of the World Bank Group/International Finance Corporation (IFC). It will include a Social Impact Assessment (SIA) of probable sample areas and similar activities/interventions; an RPF, and guidelines for voluntary donation of lands (in terms of consultation and documentation), establishing grievance redress systems and consultation strategies. Gender issues will be covered, in addition to the corporate mandates for Gender Mainstreaming and Citizen’s Engagement. A standalone Tribal Peoples Framework (TPF) will be developed along with appropriate screening formats.

B. Borrower’s Institutional Capacity for Safeguard Policies

PKSF is familiar with the World Bank safeguards policies. PKSF implemented the First and Second Poverty Alleviation and Employment Promotion projects (1996–2006), totaling US$316 million; the Financial Services for the Poorest (FSP) project (2002–2004), supported by a Learning and Innovation Loan (LIL) of US$5 million, and the on-going US$15 million Emergency 2007 Flood Restoration and Recovery Assistance Program under the Social Investment Program Project (SIPP). Recently, PKSF successfully completed the Community Climate Change Project (CCCP) and is currently implementing the Low Income Housing Project. Through CCCP, PKSF gained knowledge and experience in environmental and social
safeguards management and monitoring for community level interventions. A grievance mechanism was also put in place under CCCP. It has taken the opportunity of CCCP to establish an Environment and Climate Change unit. However, the competitively selected Partner Organizations (POs) may not have any experience with environmental safeguards application in project implementation. Additional capacity building measures would be necessary for POs for maintaining safeguard compliance. Such capacity building needs and consequent plans will be identified and implemented during preparation. The PKSF will also keep provision of short and long-term training courses for their concerned officials on environmental management for the institutional capacity building.

C. Environmental and Social Safeguards Specialists on the Team

Sabah Moyeen, Iqbal Ahmed

D. Policies that might apply

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>Overall the project will generate significant positive environmental impacts as it will support environmentally sustainable activities. However, the project will deal with the polluting sectors to lower the pollution level at the targeted microenterprises. The project intervention targeted environmental health and safety at all the targeted micro-enterprises. The project will also support small scale construction for sanitary latrines, desalination plant and common infrastructure. Potential environmental impacts that could arise in this project are likely to be minor. OP/BP.04 is triggered to avoid any potential adverse environmental impacts and enhance environmental outcomes of the individual sub-projects. The project is Category B. Since sub-projects and exact locations are not known at this stage, an Environmental and Social Management Framework (ESMF) will be prepared. The ESMF will be developed to incorporate the Environmental and Social Impact Assessment (ESIA) and its recommendations, livelihood impacts, gender action frameworks, community networks and group formation modalities etc. In addition, a stand-alone Tribal People’s Framework will be developed in consultation with the TPs prior to appraisal. Also the Environmental, Health, and Safety (EHS) Guidelines of the World Bank Group is also applicable to the Project.</td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>The project or subprojects activities will not impose any impacts on any natural habitat formed largely by native plant and animal species.</td>
</tr>
<tr>
<td>OP/BP Code</td>
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<td>Action</td>
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<tr>
<td>------------</td>
<td>----------</td>
<td>--------</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The Project doesn’t expect that there would be any impact on the management, protection, or utilization of natural forests or plantations. As such, the policy has not been triggered.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
<td>The Project is not expected to finance any synthetic chemical pesticides activities and the policy has not been triggered.</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>No</td>
<td>No Physical Cultural Resources will be affected. Chance finds will be encountered and special precautions will be taken to avoid damaging cultural heritage sites and property.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>Yes</td>
<td>The project will cover areas where small, ethnic, tribal communities reside and hence a Tribal People’s Framework will be developed by the client and disclosed following Bank rules. Appropriate plans will be prepared, disclosed and implemented by the client during project implementation after requisite screening. The project will ensure the benefit of tribal people in culturally appropriate manner.</td>
</tr>
</tbody>
</table>
| Involuntary Resettlement OP/BP 4.12 | Yes | Component 2 of the project may involve small upgradation of existing market facilities, toilet construction and small scale desalination plant establishment. No large scale or new infrastructure development is envisioned. The project will retain the option of voluntary contribution of land, and/or direct purchase collectively by the beneficiary community. The POs may also opt to purchase the lands directly, if the communities are unable to. However, under unavoidable circumstances, some small scale land acquisition may be required. It is also probable that identified public lands may be occupied by squatters or lease owners (residing and/or drawing an income from the land). Thus OP 4.12 Involuntary Resettlement will be triggered for the project. As the geographic locations have not been pre-identified an Environmental and Social Management Framework, and Resettlement Policy Framework (ESMF&RPF) will be prepared, and will include guidance on documentation and consultation processes required for accepting voluntary donations of land; establishing Grievance Redress Systems; consultation and communication strategies and gender assessments. The frameworks and subsequent site specific mitigation plans including Resettlement Action Plans, will be prepared, approved and disclosed following Bank procedures. PKSF will monitor the social...
<table>
<thead>
<tr>
<th>Safety of Dams OP/BP 4.37</th>
<th>No</th>
<th>The Project will not finance any dams, nor do project activities depend on any existing dams.</th>
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<tbody>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td>The Project activities will not take place along international waterways which are shared with Riparian countries.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>There are no disputed areas in the Project area of influence.</td>
</tr>
</tbody>
</table>

**E. Safeguard Preparation Plan**

Tentative target date for preparing the Appraisal Stage PID/ISDS

Sep 04, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

Since the activities are yet to be identified, an Environmental and Social Management Framework (ESMF) including RPF will be prepared and disclosed before appraisal.

**CONTACT POINT**

**World Bank**

Nadia Sharmin, Suiko Yoshijima
Senior Environmental Specialist

**Borrower/Client/Recipient**

Government of Bangladesh

**Implementing Agencies**
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APPROVAL

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Practice Manager/Manager: Kseniya Lvovsky 21-Jun-2017
Country Director: Rajashree S. Paralkar 18-Jul-2017

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