# INITIAL POVERTY AND SOCIAL ANALYSIS

| Country: | Bangladesh | Project Title: | Information Technology Parks for Employment and Innovation |
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| Lending/Financing Modality: | Project | Department/ Division: | South Asia Department/ Human and Social Development Division |
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## I. POVERTY IMPACT AND SOCIAL DIMENSIONS

### A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

Despite considerable progress on the macroeconomic front, Bangladesh is still one of the world's poorest nations, with average per capita gross domestic product only marginally higher than the dollar-a-day international poverty standard. The growth and exports are led by readymade garment industry, and labor intensive nature of work generated employment opportunities, particularly for women. However, the industry could be vulnerable to exogenous economic shocks, and cannot absorb 2 million young generations who enter the labor market every year. To accelerate economic growth, the government is keen to diversify export and transform into the knowledge economy by tapping the potentials of demographic dividend.

Digital Bangladesh is a vision with the highest level of political support. A number of initiatives such as Access to Information Program have been initiated during the Sixth and Seventh Five-Year Plan. Information and communication technology (ICT) requires workforce with relevant skills (math, language, and computer) and knowledge on science and technology, but the driving philosophy of Digital Bangladesh is to strike the right balance between equity and growth in Bangladesh. The deliberate focus on serving the underserved and empowering citizens is helping to break down traditional barriers by connecting citizens with government and nongovernment service providers through internet and mobile phone-based systems. At the same time, the government aims to expand ICT exports to $5 billion by FY2020.

Establishing information technology (IT) parks along with strategic economic corridors and zones could provide a potential solution to realize Digital Bangladesh. The business process outsourcing (BPO) industry does not require advanced skills, and can be located in industrial growth centers. If it is well connected to industry, academics, social amenities, infrastructure, and skillful human resources, IT parks could also be a base for research and development of foreign direct investment which transfers the knowledge and skills in local industry.

### B. Poverty Targeting

☒General Intervention ☐Individual or Household (TI-H) ☐Geographic (TI-G) ☐Non-Income MDGs (TI-M1, M2, etc.)

The project is a general intervention.

### C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.
The primary beneficiaries of the project will be young labor force with strong analog skills and science and technology background and IT/IT enabled-service (ITES) industry. The project will support further development in Kaliakoir and Jessore Hi-tech Parks. It will also examine feasibility of other IT park development in Dhaka for high-tech IT industry and outside Dhaka for less complex and more labor-intensive IT/ITES industry, such as BPO. A challenge of project design development is to strike a balance of growth-based vs. equity-based approach.

2. Impact channels and expected systemic changes.
A project preparatory technical assistance (PPTA) (to be mobilized in December 2016) will assist the government to conduct IT sector study and develop IT parks in Bangladesh. The findings and recommendations will form the project design. The TA will also support due diligence including (i) technical (IT sector analysis, supply-demand analysis); (ii) social (gender analysis); (iii) economic and financial (economic rationale, sustainability, investment needs); (iv) governance risk assessment; (v) and safeguards (indigenous peoples, resettlement, and environment).

The project will review the current practice of Bangladesh and other countries for development and management of successful IT parks. Appropriate tools and scheme will need to be introduced, and consultations with stakeholders, in particular private IT/ITES firms will be arranged during the project preparation.

3. Focus of (and resources allocated in) the PPTA or due diligence.
The project will incorporate design features to address site selection, required infrastructure, human resource development, and digital divide (gender divide, content divide and technology divide). The PPTA will also conduct a ICT sector study (employer survey) to understand the current status and challenges.

| 4. Specific analysis for policy-based lending. N/A |
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## II.   GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

Female labor force participation rate in Bangladesh has been increasing along with its strong economic growth. According to the Labor Force Survey in 2013, the figure increased 7 percentage points over the last decade, from 26.1% in 2002–2003 to 33.5% in 2013. The estimated female share of overall employment was 29%, and female employment was mostly in agriculture and craft industry. The estimated share of women in wage and salaried employment outside the agricultural sector in 2013 was 31.6% as a whole.

While mobile phone penetration rate is high, the proportion of people using computer and internet is low, particularly for women. According to the ICT Use and Access by Individuals and Households Bangladesh, 2013, 82.8% of women, 15 years and above, use cell phone (92.4% for male); but only 4.5% and 6.2% female use computer and internet (8.7% and 10.3% for male). Those who use the computer and internet have a higher academic background, such as higher secondary and tertiary.

However, females show growing interests for obtaining job in the IT/ITES industry. The recent World Bank tracer study for short-term training program in Bangladesh found that the proportion of female students in computer stream (30%) is second highest among seven industries after the garment industry (86%). Global practice presents that women constitute a large part of the workforce in the ITES/BPO segment (for example women constituted 65% of the ITES workforce in the Philippines). The sector therefore affords an important opportunity for creating avenues of productive employment for a large number of women in Bangladesh. The female wage employment rate is 11%, which is still half of the figure in males (22%). If appropriate training, information, and opportunity were provided, females could have better access to jobs in the IT/ITES industry.

To develop the detailed project design, gender issues will be carefully studied, especially on Asian Development Bank's on-going support to the (i) Secondary Education Sector Investment Program (Tranche 1 and 2), and (ii) Skills for Employment Investment Program (Tranche 1 and 2) to make good transition from schools to workplace and make synergies of gender interventions.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making? ☒ Yes    ☐ No
The project will include features to ensure gender equity to promote women-led start-ups in IT/ITES industry, and incorporate specific targets in the design and monitoring framework and gender action plan. It will also promote women's role and capacity outside of stereotype occupations.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
☒ Yes    ☐ No
The project intends to include the empowerment of women entrepreneurship in the IT industry in Bangladesh.

4. Indicate the intended gender mainstreaming category:
☐ GEN (gender equity)        ☐ EGM (effective gender mainstreaming)
☒ SGE (some gender elements)     ☐ NGE (no gender elements)

## III.   PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people?  Identify how they will participate in the project design.

There are a large number of stakeholders involving preparation and implementation of the project. They include high-level policy makers, Bangladesh Hi-tech Park Authority, ICT Division of the Ministry of Posts, Telecommunication and Information Technology, Ministry of Education, University Grants Commission, Bangladesh Computer Council, Bangladesh Association of Software & Information Services, Bangladesh Associations of Call Center Operations, other business associations, students with business, and science and technology stream. The local IT/ITES companies will benefit from significantly increased business opportunities from the expected increase in industry revenue, support from the ICT Division as the anchor institution for IT/ITES industry development, and improved international perception of their IT/ITES capabilities.
Workshop has already been organized on 30 March 2016. Series of consultations with key stakeholders, particularly with the private sector to accommodate their demands, will be conducted under the PPTA implementation.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly, the poor, vulnerable and excluded groups? What issues in the project design require participation of the poor and excluded?

The project needs to strike a balance of growth and equity, and the PPTA will study the optimum balance.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?

☐ Information generation and sharing ☒ H: Consultation ☐ Collaboration ☐ Partnership

Series of consultations will be planned to prepare the project design.

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? ☒ Yes ☐ No

PPTA due diligence will be conducted and pro-poor approach will be developed for the target industry.

## IV.    SOCIAL SAFEGUARDS

### A. Involuntary Resettlement Category ☐ A  ☐ B  ☒ C  ☐ FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☐ Yes    ☒ No

The land acquisition is not envisaged. In project development, verification of the information and due diligence will be duly conducted to produce the needed reports.

2. What action plan is required to address involuntary resettlement as part of the PPTA or due diligence process?

☐ Resettlement plan              ☐ Resettlement  framework              ☐ Social impact matrix
☐ Environmental and social management system arrangement              ☒ None

### B. Indigenous Peoples Category ☐ A  ☐ B  ☒ C  ☐ FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples?      ☐ Yes    ☒ No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes    ☒ No
The site selection criteria exclude these sensitive areas.

3. Will the project require broad community support of affected indigenous communities? ☐ Yes  ☒ No

4. What action plan is required to address risks to indigenous peoples as part of the PPTA or due diligence process?
☐ Indigenous peoples plan   ☐ Indigenous peoples planning framework   ☐ Social Impact matrix
☐ Environmental and social management system arrangement              ☒ None

## V.    OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design? N/A

☐ Creating decent jobs and employment  ☐ Adhering to core labor standards   ☐ Labor retrenchment
☐ Spread of communicable diseases, including HIV/AIDS  ☐ Increase in human trafficking ☐ Affordability
☐ Increase in unplanned migration     ☐ Increase in vulnerability to natural disasters ☐ Creating political instability
☐ Creating internal social conflicts   ☐ Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design? N/A

## VI.    PPTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the PPTA (or other due diligence) contain key information needed to be gathered during PPTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact; (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified?
      ☒ Yes              ☐ No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the PPTA or due diligence?

In the PPTA (to be approved in Dec 2016), a provision for 2 person-months of gender and social development specialist will be included and mobilized. He/She will work closely with the senior social development officer (gender) from the Bangladesh Resident Mission and Human and Social Development Division. He/She will collect and analyze data and on-going gender and social development actions for the development of IT parks, and prepare feasible actions to be reflected in the gender action plan. Budget in the PPTA also includes cost for consultations and workshops. Project components will be made accessible to women and vulnerable groups to be able to participate in and benefit from the project.