



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 25-Nov-2020 | Report No: PIDC30860

**BASIC INFORMATION****A. Basic Project Data**

Country Bangladesh	Project ID P175820	Parent Project ID (if any)	Project Name Resilience, Entrepreneurship and Livelihood Improvement Project (P175820)
Region SOUTH ASIA	Estimated Appraisal Date Feb 15, 2021	Estimated Board Date May 28, 2021	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Government of Bangladesh	Implementing Agency Social Development Foundation	

Proposed Development Objective(s)

Improve livelihoods of the poor and extreme poor, enhance their resilience and support rural entrepreneurship in project areas

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	340.00
Total Financing	340.00
of which IBRD/IDA	300.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	300.00
IDA Credit	300.00

Non-World Bank Group Financing



Counterpart Funding	40.00
Borrower/Recipient	40.00

Environmental and Social Risk Classification

Moderate

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Bangladesh has made rapid social and economic progress in recent decades, reaching lower middle-income status by 2015. Gross domestic product (GDP) growth averaged close to 6 percent annually since 2000 and accelerated to over 8 percent in FY19. The national poverty rate fell from 48.9 to 24.5 percent between 2000 and 2016, while extreme poverty declined from 34.3 to 13.0 percent.¹ However, the pace of poverty reduction slowed in recent years even as growth accelerated, particularly in urban areas and in the west of the country. Similarly, the progress on shared prosperity slowed between 2010 and 2016 after a decade of improvements, with annual consumption growth of the bottom 40 percent trailing that of the overall population (1.2 versus 1.6 percent). Bangladesh entered the COVID-19 crisis with a relatively strong macroeconomic position. Garment exports and remittances narrowed the external deficit in recent years and international reserves were adequate. While tax collections are amongst the lowest in the world, under-execution of the budget has contained the fiscal deficit, which has been below 5 percent of GDP since FY01. As a result, public debt is low and stood at 33.7 percent of GDP at the end of FY19.

2. Growth declined sharply as the COVID-19 pandemic brought about major disruptions to economic activity. In the first half of FY20 (July to December 2019), growth decelerated as slower global trade and deteriorating external competitiveness lowered exports and tighter access to finance constrained private investment growth. With declining readymade garment (RMG) orders, exports declined by 5.8 percent (y-o-y) during this period. A sharp contraction in capital goods imports (3.4 percent, y-o-y) suggests private investment also declined. Growth during the first half of the year was primarily supported by remittance-fueled private consumption. The initial phase of the pandemic in early 2020 disrupted the supply of intermediate goods from China, reducing manufacturing output. As the pandemic intensified abroad, export orders from Europe and the United States declined precipitously and an estimated US\$ 3.2 billion in RMG orders were cancelled or suspended.² The government implemented a national shutdown from March 26 to May 30 to control an

¹ Household Income and Expenditure Survey, 2000/01 through 2016/17.

² Bangladesh Garment Manufacturers and Exporters Association (BGMEA), as of May 22, 2020.



accelerating domestic outbreak of the virus. Control measures resulted in a sudden stop of many components of the service and industrial sectors. During March, April, and May remittances and exports declined by 17.0 percent and 53.7 percent, respectively. Vulnerability in the banking sector remain as non-performing loans (NPLs) officially reached 9.2 percent of loans in June 2020 but are likely higher due to deviations from international recognition, loss provisioning, and capital calculation standards. Inflation rose to 5.7 percent in FY20 from 5.5 percent in FY19, as food prices increased due to supply chain disruptions, while nonfood prices were dampened by weaker demand.

3. The pandemic has impacted poor households and micro and small enterprises. The Bangladesh Business Pulse Survey by the World Bank Group (July 2020), based on interviews conducted with 500 micro, small, and medium enterprises (MSMEs), shows that 94 percent of businesses have experienced sharp drops in sales, 83 percent of firms have made losses and 33 percent of firms have not been able to pay installments on existing loans. A staggering 37 percent of Bangladesh's workers have lost their jobs, temporarily or permanently. A different survey led by BRAC, the largest non-government organization (NGO) in Bangladesh, indicated that urban and rural poor suffered an income loss of 75 percent and 62 percent, respectively.³ The income shock led to a decline in food expenditure in both rural and urban areas. A micro-simulation conducted by the World Bank Poverty and Equity Global Practice indicates that, on average, per capita household consumption would decline by 13 percent, implying that as much as 21 million people could face their income dropping below the poverty line.

4. COVID-19 has darkened the economic outlook. Real GDP growth fell to an estimated 2.0 percent in FY20 as COVID-19 and the global recession disrupted economic activity in the second half of the year. Growth in exports by 2.2 percent and remittances by 50 percent in the first two months, providing a positive effect in the current account balance. However, it is unclear whether those represent a sustained recovery of the economy rather than temporary bumps. The economy is projected to decelerate further to 1.6 percent in FY21 assuming that the impact of COVID-19 deepens. Exports growth is expected to remain negative in FY21. The recent rise in remittances may not persist as thousands of migrant workers returned home⁴ and the prospects of hiring new workers in the Gulf Cooperation Council (GCC) countries remain grim. Private consumption, the main engine of growth, is expected to slow as declining remittance inflows reduce household income. The unprecedented uncertainties related to COVID-19 are likely to further dampen private investment. Weaker demand and financing constraints may reduce industrial production, while the flooding in early FY21 may hamper agriculture production. Inflation is projected to remain above target due to expansionary monetary and fiscal policies and higher food prices.

5. Bangladesh is extremely vulnerable to the effects of climate change. The Global Climate Risk Index ranks Bangladesh as the world's seventh most affected country over the period 1999-2018.⁵ In May 2020, the tropical cyclone Amphan has severely affected the livelihoods of at least 1 million people and destroyed houses and infrastructure. The overall damage to housing, infrastructure, fisheries, livestock and crops was set at BDT 11 billion (US\$ 130 million).⁶ Rising temperatures leading to more intense and unpredictable rainfalls during the monsoon season and a higher probability of catastrophic cyclones are expected to result in increased tidal inundation. It is estimated that a one-meter rise in sea levels would submerge 18 percent of arable land in coastal areas.⁷ Recent studies estimate that by 2050 Bangladesh could have

³ Livelihoods, Coping and Support During COVID-19 Crisis. BRAC Institute of Governance and Development (BIGD) and Power and Participation Research Centre (PPRC), June 2020.

⁴ According to the Ministry of Expatriates' Welfare and Overseas Employment, more than 100,000 Bangladeshi workers returned home between April and September.

⁵ Germanwatch (2020) *Global Climate Risk Index 2020*.

⁶ Reliefweb: <https://reliefweb.int/disaster/tc-2020-000136-mm> [last accessed November 2020]

⁷ UNFCCC (2007) *United Nations Framework Convention on Climate Change*.



13.3 million internal climate migrants.⁸ Additional rural-urban migration would have significant consequences for air and water pollution and unsustainable consumption of natural resources, while putting additional pressure on urban labor markets. Addressing climate risks is increasingly urgent to ensure sustainable economic development of the country.

Sectoral and Institutional Context

6. Despite substantial improvements in past decades, poverty and vulnerability remain high in Bangladesh. From 2000 to 2016, the country's poverty rate was divided in half, with 25 million people escaping poverty over the period. Concurrently, improvements were recorded in nutrition and life expectancy, in access to electricity, clean water and sanitation, and in access to education, among others. However, about 1 in 4 Bangladeshi still lived in poverty in 2016 and 1 in 8 lived in extreme poverty and were unable to afford a basic food consumption basket. In addition, more than half of the population are considered vulnerable to poverty.⁹ Among others, this vulnerability is coming to the fore with the COVID impact on rural livelihoods and food supply chains.

7. Rural areas are home to most of the country's poor. Even though rural poverty fell from 52 percent in 2000 to 27 percent in 2016, 80 percent of Bangladesh's poor are still to be found in rural areas. Furthermore, 55 percent of the non-poor are only just so. Their consumption levels lie only just above the poverty line, and their vulnerability of falling back into poverty is high. Improvements in education, reductions in household size, and expansions in access to electricity and other assets all contributed to this poverty reduction in rural areas, but these improvements were not evenly distributed spatially, making some of the non-poor more vulnerable than others to slippage below the line. This can be seen in recent increases in poverty in the country's Western (rural) divisions.

8. Recurrent movement in and out of poverty also partly reflects the vulnerability and informality of jobs. Many rural households derive income from multiple sources, reflecting a rapidly transforming and interconnected economy. While 40 percent of rural households derive income only from agriculture, 43 percent of rural households derive income from different sectors (agriculture, industry, and services). It is a worker's types of employment (i.e. daily laborer, self-employed, or salaried), however, that is a better poverty predictor. Rural employment largely consists of informal self-employment activities, followed by daily wage arrangements. Day labor is much more prevalent among the poor, with 45 percent of them engaged in this type of work. Within agriculture, about 1 in 4 workers are daily workers.¹⁰

9. Declining agricultural productivity growth hinders the development of the rural economy. It is estimated that agriculture accounts for 38 percent of rural households' income.¹¹ The agriculture sector even contributed to 69 percent of overall poverty reduction between 2000 and 2010. Its contribution to poverty reduction was however much more modest from 2010 to 2016 (27 percent) due notably to a slowdown in agriculture growth over the period, which was itself the result of the lower total factor productivity (TFP) growth – from 2.4 percent in 2001-10 to 1.0 percent in 2011-16 – along with a continuous decline in the growth of input use.¹² However, evidence suggests that a 10 percent increase in agricultural incomes generates a 6 percent increase in non-agricultural incomes through strong forward and backward

⁸ World Bank (2018) *Groundswell: Preparing for Internal Climate Migration*.

⁹ World Bank (2019). *Bangladesh Poverty Assessment: Facing old and new frontiers in poverty reduction*.

¹⁰ World Bank (2020). *Bangladesh Rural Income Diagnostic*.

¹¹ Bangladesh Bureau of Statistics (2019). *Report on Agriculture and Rural Survey 2018*.

¹² World Bank (2020). *Promoting Agri-Food Sector Transformation in Bangladesh: Policy and Investment Priorities*.



linkages.¹³ As a result, the slowdown in agricultural growth is posing a serious challenge for both the farm and the non-farm rural economy.

10. Weather and climate change-related risks to income also impact rural poverty negatively, especially among households engaged in agriculture. Bangladesh is particularly vulnerable to adverse climate events and to climate change impacts. Climate disasters have both direct effects (such as loss of lives and property) and indirect effects (such as loss of employment and income, reduced access to products and services, and opportunity cost of resources that need to be diverted to relief and rehabilitation), as well as disrupting effects on rural economies, accelerating rapid urbanization, and migration. Agricultural incomes are especially vulnerable to extreme weather events. Climate change is already affecting agricultural production through temperature increases, sea level rise, saltwater intrusion, rainfall variability, and extreme weather events. Increased temperature could lead to a decline in crop yields of pulse, vegetables, and wheat, oilseeds in the range of 6 to 9 percent compared to scenario without climate change. Increased soil and water salinity due to sea level rise is expected to result in a 15.6 percent yield reduction in high-yielding rice varieties by 2050.¹⁴

11. The COVID-19 crisis is threatening to reverse the progress made on rural poverty reduction. The impact of the pandemic on poverty is expected to be greater in urban areas, which are estimated to see a percentage point rise of 15 versus a slower rise in rural areas of 11 percentage points. However, this means that rural poverty will rise to 36 percent as a result of COVID-19 (versus 32 percent in urban areas).¹⁵ A large share of non-farm employment in sectors impacted by the pandemic takes place in the country's rural areas. Most producers, processors, traders, and logistics companies along the agri-food supply chain experienced incomes losses triggered by supply chain disruptions and reduced demand. This was particularly acute for value chain actors producing and selling perishable goods and livestock products, such as vegetables, poultry, eggs, and milk.¹⁶ This is part of the 'new poor' phenomenon overtaking Bangladesh as a result of the COVID crisis.

12. Additional challenges for women. The pandemic has also led to an increase in care responsibilities for women that affects their ability to take on paid work. Women are also likely to be at a greater risk of increasing indebtedness since a majority of microfinance borrowers are women. Lockdown and additional economic stresses have increased the risks of gender-based violence and medium-term risk of child-marriage. BRAC documented a nearly 70% increase in reported incidents of violence against women and girls in March and April 2020 compared to the same time last year.¹⁷ This is a major concern as Bangladesh already has high prevalence of GBV with over 70% of married women reporting intimate partner violence in their lifetime.¹⁸ These pandemic-related challenges add to prevalent sharp differences between men and women in rural areas in terms of employment and earning sources. While female labor participation in rural areas has been rising steadily up to 36 percent, it remains markedly lower than men's 82 percent labor force participation. Women's share in agricultural employment has also increased from 34 percent in 2006 to 44 percent in 2016. However, about half of women who report working do so in livestock and 22 percent in unpaid farm activities, which contrasts with the 4 percent of men engaged in livestock and the 4 percent who are unpaid. These gaps derive from a number of key challenges limiting women's ability to develop and scale livelihood and entrepreneurship activities, such as: (i) Social and cultural barriers to take up economic enterprise beyond individual-level livelihoods; (ii) Poor access to capital and financing options; (iii) Lack of knowledge and access to productive resources and technology; (iv) Limited skills

¹³ World Bank (2020). *Dynamics of Rural Growth in Bangladesh: Sustaining Poverty Reduction*.

¹⁴ World Bank (2019). *Bangladesh: Climate-Smart Agriculture Investment Plan*.

¹⁵ World Bank (2020). *Losing Livelihoods: The Labor Market Impacts of COVID-19 in Bangladesh*.

¹⁶ World Bank (2020). *Bangladesh Rural Income Diagnostic*.

¹⁷ <https://www.hrw.org/report/2020/10/29/i-sleep-my-own-deathbed/violence-against-women-and-girls-bangladesh-barriers>

¹⁸ Bangladesh Bureau of Statistics 2015.



and access to skills training; (v) Poor knowledge and access to markets; and (vi) Poor knowledge and access to professional networks and associations.¹⁹

13. The World Bank supported Nuton Jibon Livelihood Improvement Project (NJLIP, P149605) has been successful in contributing to poverty alleviation in rural areas, while strengthening beneficiaries' resilience to shocks like the COVID-19 pandemic. NJLIP has implemented livelihood approaches that have reached over one million beneficiaries, of which over 90 percent were women. From 2015 to 2020, over 80 percent of the poor and extreme poor in project villages took loans from the Village Credit Organizations (VCO) and over 40 percent of beneficiaries saw their income increase by at least 30 percent. With the project's support, the livelihoods of many beneficiaries shifted away from insecure and low-paid wage employment, such as casual day-labor in both agriculture and non-agriculture sectors, towards greater self-employment through livestock rearing and non-farm enterprises. Prior to the outbreak, over 50,000 of the targeted 400,000 households had graduated out of poverty and positive trends of health and nutrition had been observed. NJLIP beneficiaries are now facing challenges induced by the COVID 19 pandemic that reduce their ability to carry out income generating activities (IGA). Based on a survey completed by the Social Development Foundation (SDF), 76 percent of NJLIP beneficiaries have suffered a decline in their regular income, raising the risk of seeing these beneficiaries fall back into poverty. However, surveyed beneficiaries proved more resilient to the crisis than people surveyed in the control group. NJLIP beneficiaries were 16.5 percent more likely to earn income from non-farm self-employment, had suffered less from food shortages in the four weeks preceding the survey (11 percent versus 15 percent for the control group), and were likelier to report having some form of savings (89 percent of respondents versus 59 percent).

14. The implementation of NJLIP helped draw the following lessons: (i) Constituting community-level organizations along with establishing their office buildings created a sense of ownership among beneficiaries; (ii) Involving community members from planning to implementation of village development activities also contributed to give a strong sense of ownership, which led to greater sustainability of outcomes; (iii) Direct funding to village institutions and financial discretion empowered village women and reduced risks of financial irregularities; (iv) Marketable skills training for youths increased their employability and thus helped their families to overcome poverty; (v) Nutrition interventions created awareness among communities to seek health-related services from nearby service providers; (vi) Social auditing and peer auditing tools ensured accountability and good governance; (vii) Creating second-tier institutions called Nuton Jibon Community Societies (NJCS) ensured smooth implementation of project activities through regularly resolving issues, as well as ensured long-term sustainability of village development activities; and (viii) IGAs have mostly been devoted to farming activities rather than for off-farm activities or consumption/household use, which contributed to food security improvements in project areas.

Relationship to CPF

15. The project aligns very clearly with the Bangladesh Country Partnership Framework (CPF) FY2016-2020, which has been extended to FY2021 after the Program Learning Review (PLR). The PLR reaffirmed the three CPF focus areas: (i) Growth and competitiveness; (ii) Social inclusion; and (iii) Climate and environment management. The project would notably be consistent with objective 2.4 (Enhanced income opportunities for the poor) under Focus Area 2 (Social Inclusion) through the project's activities targeted at improving the livelihoods of the poor and extreme poor in rural areas. The project contributes to Focus Area 3 (Climate and Environment Management) by aiming to boost climate resilience of project beneficiaries and promote climate-smart farming practices and technologies, as well as diversification in production and along the value chain. The project is also aligned with the June 2020 World Bank Group COVID-19 Crisis

¹⁹ World Bank (2020). *Bangladesh Rural Income Diagnostic*.



Response Approach Paper: Saving Lives, Scaling-up Impact and Getting Back on Track, with proposed activities contributing to Pillar 2 on Protecting Poor and Vulnerable People, Pillar 3 on Ensuring Sustainable Business Growth and Job Creation, and Pillar 4 on Strengthening Policies, Institutions and Investments for Rebuilding Better. Lastly, the project is aligned with some of the key goals of the emergency economic program adopted by the Government of Bangladesh following the COVID-19 crisis, such as livelihood support, employment generation, and the preparation of post-crisis economic recovery.

C. Proposed Development Objective(s)

Improve livelihoods of the poor and extreme poor, enhance their resilience and support rural entrepreneurship in project areas

Key Results (From PCN)

16. The proposed project will provide immediate livelihood support for rural communities, while contributing to building back better in a resilient way. The recent disruptions created by the COVID-19 pandemic and climate-induced events such as cyclone Amphan have compounded the vulnerability of poor and extreme poor rural communities in Bangladesh. The project adopts the approach of the Nuton Jibon Livelihood Improvement Project (NJLIP, P149605), which showed great success in reaching the poor and poorest, and will tailor livelihood opportunities in order to respond to the following urgent needs: (i) Respond to the impact of the crises on the livelihood of vulnerable rural households and support recovery and resilience building; (ii) Help rural households graduate out of poverty through income-generating activities (IGA); (iii) Support NJLIP's current beneficiaries who had graduated from poverty pre-crisis but have fallen back into poverty because of the crisis; and (iv) Support rural entrepreneurship for sustained post-COVID-19-crisis economic recovery.

17. Key indicators to measure the achievement of the PDO would include:

- i. Number of beneficiaries with an incremental income increase of at least 30% (of which, female);
- ii. Number of vulnerable and marginalized beneficiaries with improved livelihoods as a result of cash transfers;
- iii. Number of beneficiaries with improved access to climate-resilient community infrastructure (of which, female);
- iv. Number of beneficiaries with increased capacity on (i) nutrition and health, and (ii) climate risk, adaptation and resilience building (of which, female);
- v. Producer groups and rural entrepreneurs with increased income (of which female); and
- vi. Number of youths and returning migrants participating in the labor market.

D. Concept Description

18. The financial instrument for this project will be Investment Project Financing (IPF) on IDA terms. The project will draw from the successful experience of rural poverty alleviation achieved by NJLIP and its predecessors, the Social Investment Program Project (SIPP-I) and SIPP-II. The process of identifying project activities that would have the greatest impact on livelihoods and on sustained post-COVID economic recovery is informed by the June 2020 World Bank Group COVID-19 Crisis Response Approach Paper: Saving Lives, Scaling-up Impact and Getting Back on Track. Proposed project activities would contribute predominantly to: (i) Pillar 2 on Protecting Poor and Vulnerable People; (ii) Pillar 3 on Ensuring Sustainable Business Growth and Job Creation; and (iii) Pillar 4 on Strengthening Policies, Institutions and Investments for Rebuilding Better. In the spirit of Rebuilding Better in a greener, more sustainable and resilient way, the project acknowledges the already high vulnerability to climate change and risk of the rural poor, which is compounded by the protracted COVID-19 pandemic. The project aims to strengthen climate resilience and adaptation by raising awareness for climate change and risks among project beneficiaries, and by promoting resilience building and adaptation strategies as



an integral part in the planned project activities (e.g., through capacity building, climate-resilient infrastructure and climate-smart agriculture practices in IGAs and livelihood improvement activities, diversification toward non-farm economic activities where agriculture is not viable). Overall, 90% of project beneficiaries are expected to be women. The project will have four components.

19. Component A – Community Institutions and Livelihood Development. The objectives of this component are to: (i) Mobilize poor and extreme poor households of the selected project villages by forming and strengthening community institutions; (ii) Provide technical and financial support for livelihood improvement, small-scale infrastructure development, and health and nutrition support; and (iii) As integral part of the proposed activities, the project will strengthen awareness about social and cultural norms that constrain women and exclude marginalized groups, as well increase beneficiaries' understanding of climate change and risks and promote activities to strengthen climate resilience and build back in a sustainable, climate-resilient manner. These activities are critical because of beneficiaries' high exposure and vulnerability to climate change.

20. Project activities under this component will emphasize livelihood support in response to COVID-19 and adverse climate events, aiming to strengthen resilience in the following way:

- a) Cash transfers to the poor and vulnerable. These transfers will be focused on the poorest and most vulnerable beneficiaries who have been affected by COVID-19 and adverse climate events;
- b) Community-level financing. The project will mobilize, develop, and strengthen self-reliant community organizations. A development fund will be created in each village, with the possibility to include sub-funds targeted at community needs such as an institutional development fund to finance capacity building, a revolving fund to provide loans to beneficiaries, and a fund for community infrastructure support.
- c) Small-scale infrastructure development. Community Infrastructure Works (CIW) will lead to the construction of offices at district, cluster and village levels, as well as the construction of climate-resilient tube-wells, culverts, earthen road constructions/repairs, community latrines/urinals, drains, water tanks, and water distillation / desalination plants at village level. In addition to the creation of these productive assets, these labor-intensive activities are expected to provide additional income to poor and extreme poor beneficiaries who have lost employment and livelihoods as a consequence of the COVID-19 pandemic..
- d) Health and nutrition support activities. Since increased income does not necessarily translate into improved health and nutritional outcomes, the project will implement activities to raise awareness and support practices for improved health and nutritional outcomes.

21. Component B – Business Development and Institutional Strengthening. The objectives of this component are to: (i) Increase livelihood opportunities of the poor and extreme poor by organizing them in producer groups (PGs), cooperatives or federations, improving their market and business orientation, and developing linkages and partnerships with market actors and service providers; (ii) Support rural entrepreneurship to enhance livelihoods and resilience; (iii) Establish second-tier institutions to ensure the sustainability of village institutions; and (iv) Ensure skills development training and sustainable employment for the un/underemployed youths and returning migrants and immigrants. Activities under this component also include awareness raising about climate change and risks, and adaptation and resilience building practices among beneficiaries and promotion of climate-smart practices as well as opportunities for income diversification to increase livelihood resilience.

22. Activities under this component will support rural entrepreneurship and employment in a way that is adapted to the impact of the pandemic on beneficiaries and will contribute to sustained post-COVID-19-crisis economic recovery and to rebuilding in a greener, sustainable and climate-resilient way, as follows:

- a. Establish second-tier institutions to support the networking and aggregation of the village-level community



institutions created under Component A. These second-tier institutions take over the support and development function for their village institutions and monitor their performance, while also seeking potential options for economic growth and service provision for the village institutions or groups of beneficiaries they oversee;

- b. Support to the formation of PGs and to the provision of technical and financial assistance to registered PGs will be complemented with technical support to link these PGs to prominent e-commerce sites in response to the trading disruptions experienced during the COVID-19 pandemic;
- c. Support to rural entrepreneurial efforts will focus on businesses revolving around climate-smart food production and value addition, and marketing. This will have the triple advantage of increasing rural income, while supporting food security and contributing to mending the frayed food supply chain in Bangladesh, as well as increasing climate resilience in target beneficiaries' communities and agro-ecosystems; and
- d. Skills development training will be provided to un/under employed youths and for jobless migrant / immigrant returnees, with training costs borne by the project to overcome the cash crunch created by the COVID-19 pandemic.

23. Component C – Project Management, Monitoring and Learning. Activities under this component will be tailored to the new conditions on the ground created by the COVID-19 crisis in order to ensure proper project management, monitoring and learning across project areas. Considering the recent severe climate events (Cyclone Amphan, flood events), which are projected to intensify in the future, capacity building of the implementing agency, SDF, on climate change and vulnerability, and opportunities for climate mitigation, and sustainable energy will be explored.

24. Component D – Contingent Emergency Response Component, will only be triggered in situations of urgent need of assistance. This will allow for rapid reallocation of project proceeds in the event of a natural or man-made disaster or crisis that has caused or is likely to imminently cause a major adverse economic and/or social impact.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	TBD
Projects in Disputed Areas OP 7.60	TBD
Summary of Screening of Environmental and Social Risks and Impacts	

The project is rated moderate both on environment and social risk categorizations. The main anticipated E&S risks and impacts are likely to relate to: (1) occupational and community health and safety, (2) water, air & noise pollution, soil contamination, solid waste generation and management, (3) ensuring appropriate benefits to the marginalized and disadvantaged groups including the indigenous peoples from the project activities; (4) managing and mitigating the SEA/SH risks and and (5) risk of child labor ? all of which need to addressed. However, most of the activities are expected to have localized and reversible negative but insignificant environmental and social impacts.

The borrower will develop a Stakeholder Engagement Plan (SEP) proportional to the scale and complexity of the project and its associated risks and impacts. The client will engage in meaningful consultations with all stakeholders throughout the project life cycle in particular, to the inclusion of women/girls and vulnerable and disadvantaged groups and as well as the indigenous communities.



The constructions of Community Infrastructure Works (CIW) are small buildings in semi-unban settings and contractors are likely to hire labors from the community without creating any labour labor influx. The project supported rural livelihood activities, especially the agri-activities are unlikely to hire outside labour. Even the small home-based manufacturing units will employ labour from the community.

Resource efficient construction materials will be encouraged to use for building construction which may eventually reduce local air pollution indirectly. Other pollution prevention and use of bio-fertilizer and bio-pesticides are encouraged.

Many of the project activities, such as cash transfer, carry inherent risks of SEA/SH given the current characteristics of Bangladeshi society, specially in the rural areas. The ESMF will lay down the process for carrying out screening of SEA/SH related risks and measures to be taken.

The project does not anticipate any land acquisition. The small amount of land required for the project will be ensured through “willing-buyer willing-seller” modality or voluntary land donation. The detailed guidelines for both will be included in the project’s Environmental and Social Management Framework (ESMF). This framework approach is adopted as the project’s locations at community level are not yet identified.

The ESMF will also take into account the borrower’s E&S systems, carry out an institutional capacity assessment, and identify disadvantaged and vulnerable people in the context of the project. Following the guidelines of the ESMF, the borrower will prepare a Project Operational Manual (POM) that will lay down the detailed operational and implementation procedures of the project activities at the field/community level. When the communities at the sub-project will be identified, they will be screened, and an ESIA and/or ESMP may be carried out and prepared, as needed.

The project will include the indigenous peoples as beneficiaries for which the ESMF will include the broad guidelines and based on this, during implementation stage, the borrower will prepare sub-project specific Indigenous Peoples’ Plan, as relevant. Similarly, the project does not anticipate any labor influx. The community level small constructions will be essentially undertaken by the communities themselves and only on exceptional cases that require skilled labor (such as mason, mechanics, etc.), these will be outsourced. The project’s Labor Management Procedures (LMP) will include relevant provisions for managing labor influx and also measures against child and forced labor along with a labor specific Grievance Management.

The project will prepare and SEA/SH Management Plan that will include specific GM and as well as provision for SEA/SH specific service providing organizations. The project’s Stakeholder Engagement Plan (SEP) will identify all relevant stakeholders including the approaches to engage with them. The SEP will be prepared and disclosed prior to appraisal.

The key points identified in the ESMF along with the other ESF documents mentioned above will be incorporated in the ESCP.



CONTACT POINT

World Bank

Jean Edouard Albert Saint-Geours, Samina Yasmin
Senior Economist

Borrower/Client/Recipient

Government of Bangladesh
Monowar Ahmed
Secretary, Economic Relations Division
secretary@erd.gov.bd

Implementing Agencies

Social Development Foundation
A.Z.M. Sakhawat Hossain
Managing Director
md@sdfbd.org

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Jean Edouard Albert Saint-Geours, Samina Yasmin
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Approved By

Practice Manager/Manager:		
Country Director:	Mercy Miyang Tembon	10-Dec-2020

