



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 02-Dec-2018 | Report No: PIDC25864

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

Country Bangladesh	Project ID P168961	Parent Project ID (if any)	Project Name Higher Education Acceleration and Transformation Project (P168961)
Region SOUTH ASIA	Estimated Appraisal Date Apr 15, 2019	Estimated Board Date Sep 25, 2019	Practice Area (Lead) Education
Financing Instrument Investment Project Financing	Borrower(s) Government of People's Republic of Bangladesh, Islamic Republic of Afghanistan	Implementing Agency Ministry of Education Bangladesh	

Proposed Development Objective(s)

To enhance graduate employability, improve governance of higher education and establish a regional network of higher education institutions.

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

Total Project Cost	300.00
Total Financing	300.00
of which IBRD/IDA	200.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	200.00
IDA Credit	200.00

Non-World Bank Group Financing

Counterpart Funding	100.00
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Borrower	100.00
Environmental and Social Risk Classification Substantial	Concept Review Decision Track II-The review did authorize the preparation to continue

B. Introduction and Context

Regional Context

1. Economically, South Asia is the fastest growing region in the world; with India, Bangladesh and the Maldives have growth rates well over 7 percent, and Nepal and Pakistan closely following at over 6 percent. Five countries, Bangladesh, Bhutan, India, Pakistan and Sri Lanka have reached lower middle-income status, while Maldives has reached upper middle-income status; Afghanistan and Nepal remain low income. The region is host to about one third of the world’s poor, although this is projected to decline substantially in the coming decade. The region is a home for over 1.74 billion people, out of which 216 million are living on less than \$1.90 per day (which is about 12 percent of the population in South Asia). Job creation is becoming an increasingly important goal, with over 1.5 million job candidates entering the labor market each month. Female labor force participation is a particular concern, as it is declining in India, Sri Lanka and Bhutan; in Bangladesh it was stable, and in Pakistan it slightly increased over the same period. While the working age population is projected to grow in each country of the region, this more jobs even to keep the employment rates stable; in turn this requires better training and education to prepare new entrants for new types of jobs.

2. Bangladesh is one of the world’s most populous country with an estimated 165 million people in a geographical area of about 144,415 sq.-km and per capita income of US\$1,480 in 2017, well above the lower middle-income country category threshold which it crossed in FY14. During recent years, economic conditions improved in the country. However, headline inflation increased to 5.8 percent in FY18, from 5.4 percent in FY17, reflecting increases in food prices due to supply shocks. Fiscal deficit was contained at around 4 percent of Gross Domestic Product (GDP) in FY17. The FY18 budget targets 5 percent deficit with 26.2 percent growth in expenditures. The current account balance turned into a deficit equivalent to 0.6 percent of GDP in FY17. The GDP grew well above the average for developing countries in recent years, averaging 6.5 percent since 2010, with an officially projected growth of 7.65 percent in FY18, driven by manufacturing and services. Progress on reducing extreme poverty and boosting shared prosperity through human development and employment generation has continued with the poverty incidence based on the international \$1.90 per capita per day poverty line (measured based on the Purchasing Power Parity exchange rate) declining from 44.2 percent in 1991 to a 13.8 percent in 2016 (latest available poverty data). Bangladesh’s performance against the Millennium Development Goals (MDG) goals was impressive against the South Asia Region average for most of the indicators. Such progress notwithstanding, the pace of poverty reduction and the rate of job creation has slowed since 2010. Bangladesh needs more effort in improving its growth rate to meet its target of moving up the middle-income rankings by 2021 and eliminating poverty by 2030. For accelerating private sector-led growth with improved investment climate, the key



challenges are the need for increased infrastructure and power, with much improved quality in spending public resources, better regulations and enhanced skills of its vast and rapidly increasing labor force.

3. **Afghanistan continues to face particular challenges despite notable progress in rebuilding the economy, strengthening institutions, and restoring infrastructure and basic services.** The country maintained macroeconomic stability and established the conditions for slow recovery of the economy. Risks to the economy however remain significant, with withdrawal of international security forces starting 2011, coupled with political uncertainties and declining aid resulting to slowdown of economic growth, while fiscal pressures amount with declining security. National poverty estimates show that poverty in Afghanistan has increased from 38.3 percent in 2012-13 to 54.5 percent in 2016-17. With the population continuing to grow at 3 percent a year, the per capita GDP fell at during the same period from US\$ 669 to US\$551, making it one of the poorest countries. At the same time, political instability, weak institutions, inadequate infrastructure and difficult business environment have hampered private sector growth – which has from 9.4 percent in 2003-12 to only 2.1 percent between 2013-16. Public expenditures comprise 25.6 percent of GDP; with foreign grants currently financing more than two-thirds of budget expenditure and substantial off-budget security needs. A large trade deficit of nearly 38 percent of GDP is also financed almost entirely by aid. With aid expected to more than halve to around 20 percent of GDP by 2030, new sources of growth, employment, revenues and exports are needed, especially for the growing population.

4. **Despite big gains in the legal and institutional framework to manage disaster risks, the South Asia region remains strongly affected by climate change.** Three out of the five most vulnerable countries in the world are in South Asia, and climate impact could reduce GDP by an average of 1.8 percent by 2050. Between 2000 and 2017, 1.3 billion people have been affected by natural disasters, including 270,000 deaths and 21 million homeless. Oceans are under particular stress, with 405 dead zones in Bangladesh ocean eco-system and 2 million tons of plastic entering Bangladesh each year. Bangladesh remains particularly vulnerable in its coastal areas, as extreme precipitation and sea-level rise can harm large groups of people and the agricultural sector in particular. Floods and riverbank erosions already affect some one million people every year. Afghanistan remains particularly affected by extreme temperatures, which causes regular droughts, affecting the agricultural production on which 80% of the population relies. Floods are already the most frequent natural hazard, and are likely to increase with climate change.

Sectoral and Institutional Context

5. **The higher education system in South Asia is large, diverse and complex.** South Asia has over 42 million students in higher education, of whom 34 million students are in India and over 2 million in Bangladesh and Pakistan. All countries in South Asia have a large private higher education sector: in Afghanistan, Bangladesh, India, Nepal, and Maldives, nearly half or over half of students are enrolled in a private higher education institution. The largest higher education systems—those in Bangladesh, India, Nepal, and Pakistan—also operate under an affiliation system, whereby government-funded universities affiliate with non-autonomous government and private colleges, which typically enroll most students. Finally, many students are enrolled in distance education programs, sometimes at institutions dedicated to distance learning.

6. **The demand for higher education in South Asia is rapidly growing.** Enrollments in higher education grew explosively in all countries, overall the growth was 387 percent over 15 years, from 11 million students in the early 2000s to 42 million students today. The average annual growth rate over the period was 14 percent, with the lowest growth rate in Sri Lanka and Bhutan (6 percent) and the highest in Maldives (35 percent). These figures are projected to grow substantially in the near future, as gross enrollment rates remain comparatively low and the youth population in South Asia is still growing. Even the participation of women in higher education is keeping pace with the expansion of the system, except in Afghanistan. Female participation in higher education has reached over 50 percent in Nepal, Sri Lanka and the



Maldives, and is just under 50 percent in Bangladesh, Bhutan, India and Pakistan. Afghanistan, in contrast, has substantially lower female participation, with only about 20 percent of the student population being female.

7. **Bangladesh has a large and diverse higher education system.** There are two main providers of higher education in the country: (i) 137 public and private universities, directly under the supervision of the University Grants Commission (UGC) and (ii) around 2,000 government and non-government tertiary colleges affiliated with the National University (NU). Together, the sector caters to around 2.6 million students¹ in 2016 which is a significant increase compared to the 1.5 million students in 2010. Female students account for around 44 percent of higher education enrollment, mostly concentrated in the tertiary colleges. In addition, there is a regional university – the Asian University for Women (AUW), as well as an international university, the Islamic University of Technology (IUT). Both were established through intergovernmental and charitable organizations and operate as fully independent institutions. It is expected that economic transformations requiring high skilled professionals, demographic youth bulge and an increasing pool of higher secondary school graduates would continue to increase higher education enrollments, especially over the next five years. Most of this demand would likely to be absorbed by the private institutions, which account for nearly 48 percent of all higher education enrollments.²

8. **The higher education sector in Afghanistan, though relatively small, is gradually growing.** In Afghanistan, there are 24 public universities enrolling around 145,000 students and 12 small public higher education institutes which enroll about 7,500 students. There are also private higher education institutes that enroll approximately 130,000 students. About 20 percent of students enrolled in the universities and higher education institutes are female. While the total number of universities and institutes appear adequate, the number of students enrolled in these institutions is insufficient, as reflected by the low gross enrollment rate (6 percent). In addition, rising numbers of students are completing secondary education, and there is growing demand for higher education from young Afghans. Currently, less than 16 percent of secondary school completers seeking admission to universities can be offered places. The National Higher Education Strategic Plan II seeks to expand higher education enrollment over time, but with a special focus on priority degree programs drawn mainly from the sciences, technology engineering and medicine (STEM).

9. **The World Bank has been working with the Government of Bangladesh through the Higher Education Quality Enhancement Project (HEQEP) in addressing the university sector's needs since 2009.** The objective of HEQEP has been to: (i) improve quality and relevance in the teaching and research environment in participating universities; (ii) upgrade connectivity in the universities; and (iii) enhance the technical and institutional capacity of the higher-education sector. Some of the major achievements of the project include: (a) institutionalized competitive funding for research based on the Academic Innovation Fund activity that supported 439 research and teaching subprojects in 27 public and 9 private universities and 10 university-industry collaboration grants that lead to patenting of several innovations in the country. Enhanced connectivity and digital resources; (b) enhanced internet connectivity through establishment of the Bangladesh Research and Education Network (BdREN) infrastructure and high quality WiFi system for students and faculty members in 46 universities and (iii) initiation of the Quality Assurance system through the passing of the Accreditation Council Bangladesh (ACB) Act 2017 on March 7, 2017 providing much-needed legal framework for accreditation and quality assurance across all higher education institutions in Bangladesh.

10. **In Afghanistan, the World Bank has been working in the higher education sector through the Higher Education Development Project (HEDP) since 2015.** The HEDP aims to increase access and improve quality and relevance of higher education in Afghanistan. The major result areas of the project include: (a) increasing student enrollment in universities in priority degree programs for economic development; (b) expanding number of universities implementing and

¹ There were 0.9 million students in universities and 1.7 million students in tertiary colleges in 2016.

² World Bank (2018) Skills for Growth



monitoring strategic institutional development plans consistent with the National Higher Education Plan; and (c) increasing number of full-time academic staff members with at least a Master's degree in priority degree programs for economic development.

11. Throughout the region, higher education remains a source of active public debate and community engagement.

Over the last decade or so, universities are starting quality assurance mechanisms to engage faculty, students and labor market representatives in gathering stakeholder feedback and inputs on teaching learning environment across departments. In Bangladesh, quality assurance cells were established across public and private universities and are anchored in university governance under the Bangladesh Accreditation Council Act 2017. Universities also maintain strong participative governance structures on which faculty have a leading voice. Despite these structures, important cultural and institutional barriers to meaningful community engagement remain, particularly for students and women. The share of women in university governance or among vice-chancellors remains too low, while student engagement remains seen as a risk, rather than an opportunity for the system to improve.

12. The changing nature of work, with on-set of the fourth industrial revolution, has given rise to new and emerging education development concerns especially in aspects of sustained graduate employability and technological readiness.

In Bangladesh, the unemployment rate among tertiary education graduates stood at 11 percent, much higher than the national average rate of around 4 percent in 2017. Gender disparities in employment outcomes among tertiary graduates are quite pronounced with female unemployment rate (21 percent) nearly three times as high as high males (8 percent).³ In Afghanistan such disparities are also pronounced as the unemployment among female graduates (9.3 percent) is almost double that of males (5 percent).⁴ In the meantime, employers have long been struggling to fill vacancies for high skilled professional and technical positions with qualified candidates with appropriate skills. The skills gap may likely exacerbate by new technologies which are rapidly reshaping the economy and the nature of work locally and globally. For local firms to remain competitive, sufficient supply of high skilled professionals and research & development (R&D) will be critical inputs for reaching higher productivity levels and adapting to modern production systems. More investment is clearly needed in building high quality human capital and research capacities in both countries.

13. At present, the region does not have a guiding strategy on how higher education can contribute to climate change mitigation or adaptation. Nevertheless, the Government of Bangladesh recently adopted a Strategic Plan for Higher Education 2018-2030 that asks universities to focus on research areas such as climate change, reforestation, renewable energy, and crop rotation. Some of the universities, such as the University of Dhaka, have recently established meteorological departments, with support from the HEQEP project. The universities also remain the primary channel to educate engineers, environmental experts and

14. Despite these difficulties, there are number of exciting initiatives in the region, in particular to promote excellence in women's education.

One of these is the Asian University for Women, which was established in 2008 to educate the next generation of female leaders in the region. This university mostly enrolls underprivileged women (e.g. from the garment sector, refugee populations and minorities) and prepares them through high quality and rigorous undergraduate programs as high skilled professionals for the job market. In addition to subject specific specialization, AUW places an emphasis on confidence-building and higher order cognitive and soft skills development, including problem-solving, teamwork, communication and negotiation skills. It manages to provide internships to all its students, leading to high graduate employment in top employers, while many graduates continue to pursue postgraduate degrees in top global universities. The AUW provides an exceptional example of effectively promoting female higher education

³ Bangladesh Labor Force Survey 2013

⁴ Afghanistan HIES 2012.



and employability, especially for those from underserved populations, serving as a center of excellence model for the region.

Relationship to CPF

The CPFs for both countries, as well as the regional strategy emphasize an important role for higher education to improve economic outcomes, and female labor force participation in particular. Hence, the project is fully aligned with the World Bank's CPFs for Afghanistan and Bangladesh, as well as with the broader strategy for SAR. For Bangladesh, the Project supports the Country Partnership Framework (FY2016-2020) Pillar 2 Objective 2.1 which focuses on improved equity in access, quality and relevance of education while for Afghanistan, it supports the CPF (FY2017-2020) Pillar 3 Objective 3.1 which focuses on improving human development, especially quality of graduates.

Through this Project, the Bank would support improved research, teaching and learning environment in the universities for better student learning outcomes and skills development with the intent of graduating employable students for a more competitive and rapidly changing job market within and outside the countries. The proposed higher education network to promote leadership aligns well with both countries 'Social Inclusion' pillars of the CPF.

The Project is also fully in line with the Operational Framework for the South Asia Region. It contributes to section 2 of the agenda - investing in people and building human capital by improving the quality of education, particularly focusing on strengthening female labor force participation.

C. Proposed Development Objective(s)

To enhance graduate employability, improve governance of higher education and establish a regional network of higher education institutions.

Key Results (From PCN)

The key results area are:

1. To improve the employability of university graduates, particularly female graduates;
2. To enhance the governance capacity of the higher education sector; and
3. To improve women's empowerment in higher education institutions that form part of a regional network.

D. Concept Description

The Project takes an approach which builds on and utilizes the synergies of national and regional support to higher education. First, the project will leverage digital connectivity, established through different World Bank national projects, among the participating countries. The universities and colleges in the regional network which are, at present, not all connected, can gain this connectivity relatively easily. Second, the project would focus on employability and leadership, particularly for women, which is one of the major development concerns in the region. Third, the project would look into promoting collaborative research among academics across different institutions in the region. In recent years, the World Bank has supported research capacity building in higher education which creates a good platform to launch regional collaboration in this aspect. Fourth, the region faces some common issues of governance and management of the higher education sector and would benefit exchange of knowledge on quality assurance, performance-based financing and teacher management systems. Finally, South Asia lags in internationalization of higher



education, providing potential scope for the project to initiate efforts in this aspect.

To support this approach, the project will comprise of four components: Component 1: Transforming Higher Education in Bangladesh; Component 2: Strengthening Higher Education Management; Component 3: Establishing Regional Collaboration to Promote Excellence in Women's Education and Component 4: Enhancing Project Management, Results Monitoring and Communication.

Component 1: Transforming Higher Education in Bangladesh

The objective of this project area would be to strengthen relevance and quality of higher education for greater employability of graduates in Bangladesh. There are four proposed sub-areas:

Sub-area 1.1: Enhancing job market responsiveness of higher education graduates: The proposed activities would include: (a) enhancing labor market responsiveness in curriculum & teaching through establishment of collaboration with industry, including internship programs; student skills assessment, and graduate tracking system. This also involves getting the community (students, labor market representatives) more involved in productive deliberations on higher education; and (b) establishing professional development programs for faculty, including those working on climate-change.

Sub-area 1.2: Improving teaching and learning environment to support higher-order skills: The proposed activities include: (a) promoting Science, Technology, Engineering and Mathematics (STEM) education (including in climate-change related areas), especially for females; (b) upgrading teaching-learning facilities and (c) introduce new programs focused on higher-order skills development, entrepreneurship and leadership, particularly for women. This also involves strengthening student engagement in higher education.

Sub-area 1.3: Promoting excellence in research, innovation, and commercialization: The proposed activity is the provision of competitive funds for research and development (R&D) through industry partnership. The activity would support research on areas including climate change & environmental sustainability, advanced technologies under Industry 4.0 and local development challenges.

Sub-area 1.4: Boosting education technologies for service delivery in higher education: The proposed activities include: (a) enhancing the connectivity across higher education and research institutions; (b) access to digital contents and resources; and (c) promoting technology-based education system (e.g. virtual classrooms; online courses; learning management system).

Component 2: Strengthening Higher Education Management and Financing

The objectives of this area would be to enhance the system-level capacity of higher education sector in Bangladesh and in the wider region. This project area would provide technical assistance to the Government to advance key reform actions including: (i) accelerating the implementation of quality assurance and accreditation; (ii) piloting new models in higher education financing; (iii) strengthening higher education governance (e.g. teacher management policies; student admission and examination system, regulation of private sector higher education) and (iv) establishing a Higher Education Commission with a streamlined role to regulate and support the sector.

Component 3: Establishing Regional Collaboration to Promote Excellence in Women's Education



The aim of this component is to establish a network of universities and colleges across the region that focus on excellence in women's education. The goal of the network is to promote women empowerment through access to high quality higher education and jobs. The network will be led and hosted by the Asian University for Women, based in Chittogram, Bangladesh. The network will contribute to: (i) removing barriers to women's access to higher education; (ii) improving women's access to quality jobs; and (iii) promoting women's voice and agency. Three main activities are envisioned for this network:

- (i) Promoting a model of excellence in promoting higher education and employability for women, especially those from underprivileged populations. The network will be managed through virtual and physical facilities for teaching and learning, soft skills training, teachers' pedagogical development, research projects, among others. Members of the network will also commit to integrating internships into their programs for all students. Women graduating from these institutions will be equipped with the critical technical and soft skills needed to become leaders in their communities and their economies.
- (ii) Exchanging knowledge between university and college leaders on the challenges of educating female leaders in an Asian context. Important questions to structure knowledge exchange could include, "How to deal with social norms around female education?" or "How to provide a safe campus?" or "How to delay marriage or how to continue education despite having children?"
- (iii) Exchange of faculty and students to learn and develop new skills, e.g. pedagogical development for faculty, soft skill development, cultural exchange and promote internationalization of higher education.

Initial conversations about this network have been held with participants in Afghanistan and Bangladesh, as well as in China, India, Nepal, Sri Lanka and Vietnam. These initial discussions have shown a clear interest for regional collaboration, perhaps even beyond women's education, in areas such as research, higher education financing, quality assurance and private sector regulation.

The campus of the AUW would need to be developed to establish it as the center of excellence to facilitate regional collaboration in higher education. Since the university currently does not have a permanent campus, it is crucial to finance the construction of its main academic complex to increase the university's capacity in delivering the services for regional collaboration.

Component 4: Enhancing Project Management, Results Monitoring and Communication

This area would aim to enhance the project management capacity of Bangladesh UGC, Ministry of Higher Education of Afghanistan and beneficiary higher education institutions, and build results monitoring and evaluation capability of these institutions. The sub-area would include: (i) project management; (ii) monitoring and evaluation; and (iii) communication. Under this component, the project will create a grievance redress mechanism (GRM), which covers all aspects of the project during implementation.



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

The field visit during the identification mission reveals that physical facilities of AUW may include (i) hill cutting, leveling and land development; (ii) construction of infrastructure such as academic building, hostels and dormitories, auditorium, etc., (iii) construction of internal roads and retaining walls because of the hilly locations. Since, the project area is of high landscape sensitivity, high degree of anthropogenic and development activities may lead to large-scale degradation of the environment and natural resource base. A number of risks and impacts may arise from associated facilities, and large scale construction works (impacts from earthworks during excavation on hillsides; quarrying; disposal of spoil, particularly from hill cutting may lead to landslide if adequate engineering measures are not in place during design and construction). The CoE may require to fill up low lying land. The project may entail removal of squatters, blocking access to neighboring villages/areas, livelihood impacts. There will be impacts on indigenous people although this will be through bringing project benefits to them in a more customized manner. Gender impacts, labor influx, impacts through the exchange of foreign students will be assessed. ESIA including the Environmental and Social Management Plan, RAP (at least an abbreviated version, given that the required land belongs to the concerned authorities) and a Social Management Plan addressing Inclusion, Gender and GBV, Consultation and Communication strategy (complementing the SEP), and any other impacts identified via the ESIA and stakeholder consultations, will be prepared. A detailed Labor and Influx Management Plan will be required. An Indigenous Peoples Plan or Tribal/Small Ethnic Minorities and Vulnerable Peoples Development Plan (accepted title in Bangladesh) will be prepared. The impacts on the regional aspect are not well understood at this stage, as there has been no agreement on the types of activities.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

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APPROVAL

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