

Program Safeguard Systems Assessment

April 2023

Bangladesh: Skills for Industry Competitiveness and
Innovation Program

PROGRAM SAFEGUARD SYSTEMS ASSESSMENT

1. The proposed results-based lending (RBL) program aims to develop higher-level technical skills and enhance institutional capacity to produce skilled workers adept at emerging technologies including green technologies. To achieve this aim, the RBL program will establish or renovate practical training facilities for advanced technologies, which include smart textile technology living labs (STTLs), a new academic building, and extension or renovation of classroom buildings at existing university premises. The Program Safeguards System Assessments (PSSA) was conducted to identify any programmatic, institutional, and contextual risks of the program in terms of environmental and social safeguards implementation, and to assess the executing agency's capacity and commitment to manage risks following ADB's Safeguards Policy Statement (SPS) 2009.

A. Program Environmental and Social Impacts and Risks

2. **Environment.** The due diligence conducted for the PSSA within the identified scope indicates that the program is unlikely to cause any significant adverse impact on the environment. These activities will involve civil works that may generate high pitch construction noise, high volume dust generation, local ponding of water and wastewater, and construction wastes that are expected to impact the local environment and communities. Traffic congestion due to construction vehicles and stockpiling of construction materials and construction wastes along the road are also expected. Some worker occupational health safety issues might be observed during construction period. The operation of STTLs is expected to involve appropriate measures for management of hazardous chemicals. However, given the in-campus nature of construction, occurrence of community health safety issues is not envisaged. The possible adverse environmental impacts from the construction and renovation activities are site-specific, restricted within existing engineering college or campus premises, short-term, reversible, and can be mitigated through an environmental management plan (EMP). These interventions are not expected to take place in environmentally sensitive locations.

3. Given the geographical location of the sites, specific nature of construction activities, and size of physical infrastructures, the environmental risks of the program have been categorized as B, requiring the preparation of site specific initial environmental examination (IEE) including EMP as per ADB's SPS 2009. According to the Bangladesh Environment Conservation Rules 1997 and its amendments by the Department of Environment (DOE) in the Government of Bangladesh (GOB), the safeguard category of the program is likely 'Orange B' due to construction of a high-rise building (10 story). This will require the program management unit to obtain Site Clearance Certificate (SCC) and Environmental Clearance Certificate (ECC) from DOE.

4. **Involuntary resettlement (IR).** The program is categorized as C for IR safeguard per ADB SPS 2009. Due diligence confirmed that the program does not require acquisition of land. No involuntary resettlement impacts are envisaged since minor civil works will be within the existing campuses.

5. **Small ethnic community (SEC).**¹ The program is categorized as B for indigenous peoples (IP) safeguard per ADB SPS 2009. Negative impacts on SEC are not anticipated. SEC groups will receive benefits as program beneficiaries. A separate SEC plan (or IPP) is not

¹ According to article 23A, as inserted by the Constitution (Fifteenth Amendment) Act 2011, the term Indigenous Peoples (IPs) as referred in ADB SPS 2009 will be replaced by small ethnic communities (tribes, minor races, ethnic sects and communities).

required. The program will ensure affirmative actions are relevant, culturally appropriate and inclusive. The executing and implementing agency—Finance Division in the Ministry of Finance—has been working in a SEC inclusive environment from the ongoing program,² and has shown many positive cases of inclusive capacity development initiatives in SEC communities. The program activities will exclude activities that adversely affect the dignity, human rights, livelihood systems, or culture of SEC, or affect the territories or natural or cultural resources that such communities own, use, occupy, or claim as ancestral domain or an asset. The targeted training program for SEC under the program, which will include context-relevant skills courses, life and communication skills, entrepreneurship support, will help improve the productivity and employability of the communities.

B. Safeguard Policy Principles Triggered

6. **Environmental Safeguard:** Considering the activities and potential impacts associated with the proposed RBL program, along with the applicable safeguards policies and implementation practices in the Government of Bangladesh and ADB's SPS, the PSSA concludes that several safeguard policy principles are triggered, as shown in Table 1.

Table 1. Safeguard Policy Principles Triggered

Principles	Description
Environment	
Principle 1: Screening	Triggered. The proposed RBL program has been screened against the RBL environmental and social screening checklist for eligible activities developed by ADB. Environment and climate risk categorization have also been done according to ADB approved checklists. As an overall mitigation plan, EARF^a has been developed for this program to avoid environmentally sensitive areas for construction and guide the environmental assessment and mitigative measures. The EARF sets out procedures, guidelines and standards related to screening of the subprojects, planned physical infrastructures, possible renovation works, and preparation of environmental management and mitigation plans. The EARF seeks to ensure environment-friendly design and mitigate health and safety issues associated with construction and operation of labs and academic buildings consistent with the environmental features of the targeted sites. Based on environment categorization and guidance of the EARF, appropriate IEE will be prepared for the category B subprojects, which will include temporal and spatial scopes of adverse impact assessment at various levels. The IEEs will also include cumulative impact assessment and global impacts, if there is any.
Principle 2: Environmental assessment	
Principle 3: Examine project alternatives, design, technology and components and their potential impacts	Triggered. Although the expected construction activities are not large, they are still expected to create a carbon footprint. But given the nature of geography and in-campus construction, the structures may not require elaborate measures to mitigate impacts. However, alternatives in terms of type of materials and technology will be explored (e.g.,

² Asian Development Bank. 2014. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to the People's Republic of Bangladesh for the Skills for Employment Investment Program*. Manila; Tranche 2 was processed in 2016 and Tranche 3 in 2019; and Tranche 3 loan will close in May 2024.

Principles	Description
	solar panels, rainwater harvesting, non-asbestos-containing materials) during the IEE.
Principle 4: Prepare an environmental management plan (EMP)	Triggered. Based on the categorization of subprojects as guided by EARF, appropriate IEEs will be prepared and site-specific EMPs will be stipulated within the IEEs. The EMPs will include the proposed mitigation measures, some environmental enhancement measures, environmental monitoring and reporting requirements, institutional or organizational arrangements, implementation schedules, indicative budget, capacity development and training measures, and performance indicators.
Principle 5: Meaningful consultation and establishment of grievance redress mechanism (GRM)	Triggered. As the construction will take place within campus premises on barren lands, impact on the community is insignificant. Consultation will be conducted with faculties and students during the preparation of IEE and EMP. GRM exists under the ongoing program, which will be further enhanced under the proposed program. GRMs will be available for each of construction sites.
Principle 6: Disclosure of environmental assessment and EMP	Triggered. The EARF has been prepared, which will be disclosed on ADB's website for public viewing. The IEEs, when they are prepared for specific sites, will be also uploaded on the Executing Agency's website. A hard copy of the IEE document will be kept at Project Director's office and construction sites. The summary EMP will be translated into Bangla and kept at the campus and EA's office.
Principle 7: Implementation and monitoring of EMP	Triggered. The implementation of the EMP is a requirement which is stipulated in the EARF. The IEEs to be prepared for academic buildings and labs will include EMPs. The SDCMU—established under SEIP—will continue to serve as the program management unit to facilitate, coordinate, and monitor all project activities under this RBL program. Within SDCMU, an engineering unit that includes an environment specialist will oversee the monitoring and implementation of the EMPs. This team will be responsible for continuous environmental monitoring, corrective actions, and environmental reporting to the EA and ADB. The capacity building program will be designed for SDCMU and key partner agencies, as needed, to comply with ADB and country safeguard system.
Principle 8: Do not implement project in critical habitats	Not triggered.
Principle 9: Apply pollution prevention and control technologies and practices consistent with international good practices	Triggered. The EARF and IEEs will include detailed guidelines for good environmental management practices and ensure environment friendly and climate resilient construction materials. Prevention of pollution guidelines, greenhouse gas reduction mechanisms, containment of hazardous materials etc. will be stipulated in the EMPs.
Principle 10: Provide workers with safe and healthy working conditions and prevent accidents, injuries, and disease. Establish preventive and emergency preparedness and response measures.	Triggered. Construction activities may generate solid waste, dust, noise, and wastewater that should be reduced or disposed of appropriately. They may also result in injuries to workers. The EARF and the EMPs stipulated in the IEEs will identify such potential impacts and will provide worker's health and safety guidelines to be followed by the contractors during construction. These risks will be monitored during the construction period against the approved EMP. The IEE and EMP will be included in the bidding document.
Principle 11: Conserve physical cultural resources	Anticipated construction will be done within existing premises owned by the government. Construction activities are required to comply with the EARF and EMPs stipulated in the IEEs. No damage to physical and cultural resources

Principles	Description
	is expected. Necessary measures will be adopted to avoid any impacts, including chance-find procedures will be included in EMPs.
Involuntary Resettlement	
The program is category C for involuntary resettlement. The IR policy principles in ADB SPS 2009 are not triggered.	
Indigenous Peoples	
Principle 1. Screening of presence of IPs	Triggered. SEC population in Bangladesh is concentrated in the three hill districts in CHT namely, Rangamati, Khagrachari, and Bandarban districts. Pockets of SEC population is present in other plain land areas as well. The program will provide SEC people access to socially inclusive employment opportunities.
Principle 2. Social impact assessment.	Triggered. Only positive impacts to SEC are expected due to affirmative actions of the program. An IP safeguards screening checklist has been developed to screen the program activities. The program will exclude activities that adversely affect the SEC.
Principle 3. Meaningful consultation and establishment of grievance redress mechanism	Triggered. Meaningful consultations have been conducted with various stakeholders (e.g., executing and implementing agencies, TTCs, other training institutions, NGOs, local community people including the SEC, the youth and the disadvantaged groups in CHT) and will continue during program implementation. The feedback and recommendations gathered during consultations will be incorporated into developing specially targeted skills programs for SEC people. The program will ensure that meaningful consultation is conducted in a manner acceptable to the SEC and in a language/dialect understandable to them. The ongoing SEIP's GRM will be enhanced by ensuring SEC representation both in CHT and plain land SEC areas.
Principle 4. Broad community support	Not triggered.
Principle 5. Access restriction to natural resources and displacement of IPs	Not triggered.
Principle 6. Preparation of Indigenous Peoples Plan	Not triggered. IPP is not required because actions for SEC are already integrated into the program.
Principle 7. Disclosure	Triggered. The PSSA will be disclosed in a form and language understandable to SEC, and documents will be made available in public locations and disclosed on implementing agencies and ADB websites.
Principle 8. Preparation of action plan for legal recognition of customary rights to lands and territories or ancestral domains	Not triggered.
Principle 9. Monitoring of IPP implementation	Not triggered. However, monitoring of SEC-related actions will be included in the program's semiannual progress reports.

ADB = Asian Development Bank, CHT = Chittagong Hill Tracts, ECA = ecologically critical areas, EARF = environmental assessment and review framework, EMP = environmental management plan, GRM = grievance redress mechanism, IEE = initial environmental examination, IPP = indigenous peoples plan, MOF = Ministry of Finance, NGO = nongovernmental organization, PSSA = program safeguard systems assessment, RBL = results-based loan, SEC = small ethnic communities, SEIP = Skills for Employment Investment Program, SDCMU = Skills Development Coordination and Management Unit, TMED = Technical and Madras Education Division, TTC = technical training center.

^a The EARF, attached with the RRP, will provide guidance on the screening and categorization of subprojects and preparation of IEE and environmental monitoring reports.

C. Diagnostic Assessment

1. Assessment Methodology and Resources

7. The RBL program's safeguard system assessment was conducted by qualified consultants under the guidance of ADB staff through (i) a desk review of relevant environmental laws, regulations, and policies, as well as due diligence of program-level environmental safeguard reports, standard bidding documents, and works contracts; (ii) site visits and consultation at the institutions of planned civil works; and (iii) consultation with key stakeholders via meetings and interviews between November 2022 and January 2023. The assessment includes (i) an equivalence assessment between Bangladesh environmental regulations and ADB's SPS environment safeguard policy principles; (ii) an adequacy assessment of program environmental management practices with regard to capacity for environmental impact screening; environmental management planning, implementation, monitoring, and reporting; and public engagement (through information disclosure, consultations, and grievance redress procedures); and (iii) identification of procedural gaps relating to information disclosure, public consultations, the grievance redress mechanism, environmental monitoring and reporting.

2. Environment

8. **Policy and legal framework.** The government has a set of laws, policies, rules and regulations that targets to address environmental and social issues. The relevant ones are the Bangladesh Environmental Conservation Act, 1995 (ECA, 1995)³ and the Environmental Conservation Rules (ECR, 1997)⁴. The ECA is a law enacted by the Government of Bangladesh in 1995 to conserve the environment and control and mitigate environmental pollution. The ECR classifies industrial units or projects into four categories according to their location and impact on the environment. Each category (red, orange-B, orange-A, and green) requires different levels of environmental assessment as a prerequisite for the government's issuance of the environmental clearance certificate (ECC). Environmental clearance to proceed to construction is needed from the Department of Environment (DOE) through an IEE for Orange category projects and EIA for Red category projects. The ECC for Orange and Red category projects is valid for 1 year, and project proponent needs to submit application for renewal, which is issued by DOE based on compliance with ECC conditions.

9. Neither ECA nor the ECR legally require public consultation during environmental assessments. The EIA Guidelines for Industries, issued by DOE in February 2021, however, requires public participation, disclosure, compliance monitoring and grievance redress. The guidelines also specify requirements for scoping, alternative analysis, impacts prediction methods and tools, EIA review, occupational health and safety, and environmental management plans. ECR, however, lays down drinking water standards, ambient environment and activity-wise discharge / emission standards for pollutants. The National Environmental Policy (NEP) 2018 is the central policy of the government that directs all the policies. In addition to the central environmental policy instrument, a number of other national policy efforts have significant environmental content and applicable to this RBL program: Air Pollution Control Rules 2021; Noise (Noise pollution (control) Rules, 2006; Solid Waste Management Rules 2021; National 3R (Reduce, Reuse & Recycle) Strategy 2010; Open Space, Park and Natural Water Reservoir Conservation Act, 2000; Water Act 2013; Water Rules 2018; Bangladesh National Adaptation Plan 2022; Climate Change Strategy & Action Plan (BCCSAP) 2009; Bangladesh Delta Plan

³ The Act was amended by Act Nos 12 of 2000, 9 of 2002, and 50 of 2010

⁴ The ECR was amended in 2002, 2005, 2010 and 2017

2100; Standing Orders on Disaster 2019; National Disaster Management Plan 2010; National Building Code, 2006, Labor Act, 2006; (and as amended in 2013), Labor Rules, 2015; National child labor elimination policy 2010; National Occupational Health and Safety Policy, 2013 and Public Procurement Rule, 2008. Environment Courts Act, 2010, provides mechanism to deal with environmental complaints and offenses.

10. **Institutional Capacity and Implementation Practices.** The Finance Division under the Ministry of Finance (MOF) will be the executing and implementing agency. The Finance Division in principle does not have in-house capacity to carry out environmental due diligence, as project management is not their mandate. However, the Finance Division has been implementing the Skills for Employment Investment Program (SEIP) supported by ADB's multitranche financing facility since 2014 (footnote 2). For the ongoing SEIP, there are four tiers of oversight. First, the Finance Division is the executing agency, headed by Secretary for MOF. Second, there is a project steering committee for SEIP, chaired by Secretary for MOF (also national project director), which consists of secretaries from other ministries and agencies, which approves annual work plans and budgets and discusses issues and challenges during project implementation. Third, there is a project management unit—Skills Development Coordination and Management Unit (SDCMU)—that manages and coordinates all implementation activities, including civil works and monitoring activities. SDCMU is headed by executive project director (EPD) who is additional secretary level from MOF. Fourth, there is a skills development implementation committee headed by EPD, which provides a forum for all training partners to discuss implementation issues and resolve constraints for successful implementation. Within SDCMU, an engineering unit has been set up to oversee ongoing several civil works; this unit consists of one full-time engineer and other part-time site engineers, while an environment specialist was engaged on a part-time basis for monitoring and reporting for ongoing civil works activities.

11. **Programmatic risks.** Programmatic risks associated with adverse environmental impacts are not expected to be significant. Construction and operational activities are not expected to increase the risk of increasing environmental impacts through interaction with other activities. Natural disasters and climate change impacts may affect outcomes of the program. The program will ensure that climate change risks and natural hazards are considered in finalizing building designs. The Finance Division under MOF has been involved in the environmental and social safeguards implementation in the ongoing SEIP. However, for the proposed RBL program, a stronger engineering (civil works) team with full-time, qualified safeguard specialists will be important for effective management of environmental and social safeguards, as SDCMU will continue to serve as the program management unit to facilitate, coordinate, and monitor all project activities. The SDCMU will engage a full-time environmental safeguards specialist during the construction phase, who will be responsible for continuous monitoring and reporting back to SDCMU and ADB. An environmental assessment and review framework (EARF) has been prepared to manage adverse environmental impacts associated with civil works. The SDCMU will monitor and submit semi-annual environmental monitoring reports to ADB, along with the program's semi-annual progress reports.

12. **Institutional risks.** Institutional risks are not expected to be significant. The Finance Division in MOF will be the executing and implementing agency. The SDCMU—established under ADB-financed SEIP—will continue to serve as the program management unit to facilitate, coordinate, and monitor all project activities. The SDCMU will have a full-time environment specialist in the civil works unit to implement and manage safeguards issues in the field. The key implementing partner agencies include the Technical and Madrasa Education, Division in the Ministry of Education; Ministry of Expatriate Welfare and Overseas Employment; Ministry of Industries; and Ministry of Textiles and Jute. An inter-ministerial project steering committee,

chaired by the Secretary of Finance Division, will provide overall policy advice and oversight, approval of annual operation plans, review of achievements against targets, and ensuring compliance with fiduciary oversight arrangements. There is a possibility of poor coordination and lack of alignment among the key implementing agencies. The SDCMU will support in coordination with other implementing agencies and manage safeguards issues through monitoring and reporting. There are no known legacy or unresolved issues that might affect the commitment and the performance of the program.

13. **Gaps identified.** This assessment found the following key gaps between the RBL program safeguards systems and relevant environment related safeguards system prevailing in Bangladesh: (i) lack of scope in monitoring of EMP implementation and corrective action requirements within the current Bangladesh laws, rules and regulations; (ii) inadequate quality reporting of EMP implementation progress, which is a requirement in the RBL program but lacks in the current governments' environmental legislative framework; and (iii) lack of grievance redress mechanism in Bangladesh safeguards system. The potential weakness in RBL implementation may include: (i) possibility of weak coordination and lack of alignment among key implementing agencies; (ii) lack of full-time, trained environmental specialist in the current project management unit; and (iii) limited capacity in effective implementation of social and environmental safeguards. These weaknesses will be addressed through agreed program action plans.

3. Social Safeguards

a. Involuntary Resettlement

14. The program is category C for IR. No land acquisition, involuntary resettlement or negative impacts on people's livelihood or assets are anticipated. All construction works will be limited within existing campus boundaries.

b. Small Ethnic Communities

15. The program is category B for IP safeguard due to the positive impacts of the program actions. The program is assessed to have low to no programmatic, institutional, and contextual risks. The SEC groups are expected to be included as program beneficiaries, which will increase their participation to the program's socially inclusive trainings, have equal access to opportunities, and improve their employable and life skills through the industry-relevant skills training across sectors. The program will ensure affirmative actions are relevant, culturally appropriate and inclusive.

16. The Constitution of Bangladesh guarantees equal rights and equality before law of its citizens life, obliges the State to protect and develop SEC groups' unique local culture and traditions, outlawing of discrimination on grounds of religion, race, caste, sex or place of birth and equality of opportunity in public employment.⁵ The country's National Education Policy 2010⁶ and National Skills Development Policy 2020⁷ also promotes SEC's equal access to education and employment. The program will not support activities with significant social impacts that may pose reputational risks to ADB. The executing and implementing agencies have good institutional capacity and experience in terms of managing social concerns. The SDCMU has a social and gender development specialist who is responsible for social safeguards monitoring and

⁵ For more details: Bangladesh's Constitution of 1972, Reinstated in 1986, with Amendments through 2014. constituteproject.org.

⁶ National Education Policy 2010 of Bangladesh

⁷ National Skills Development Policy 2020, Ministry of Education, Government of the Peoples' Republic of Bangladesh

implementation. The existing GRM in SDCMU will be enhanced by ensuring SEC representation both in CHT and plain land SEC areas. There have been no known unresolved safeguards-related issues nor complaints under the ongoing SEIP. Meaningful consultation with stakeholders particularly with SEC groups will continue.

D. Safeguard Program Actions

17. The assessment identifies the following safeguard-related program actions:

Table 2: Safeguards Program Action Plan

Action Description	Responsibility	Time frame	Measurement indicator
Environment			
1. EMP(s) in Bangla are available at construction site.	Implementing partners, contractor(s)	During camp setting and site clearance at construction site	Hard copies of EMP available at construction site offices.
2. SDCMU engineering team led by the Deputy Project Director strengthened by including a full-time environmental safeguard specialist.	Finance Division, MOF	By October 2023. An environmental specialist needs to be employed full time during the entire construction period, then can be employed part time for the rest of the program period.	An engineering team consisting of a full-time environment specialist is in place.
3. Safeguards capacity building for SDCMU, relevant officials, and contractors.	Finance Division, MOF	By December 2023	Separate safeguards programs arranged for SDCMU staff and contractors, and information shared with ADB.
4. Compliance with ECA 1995 by obtaining Environmental Clearance Certificate for 10 storied academic building and renewing annually.	Finance Division, MOF	Prior to the start of works	A copy of ECC/renewed ECC from DoE.
5. Prepare semi-annual environmental monitoring report during construction and annual report during operation until financial closure of the project for ADB's review, approval and disclosure.	Finance Division, MOF	Within 45 days of progress reporting period (Jan – Jun & Jul – Dec) and to be submitted together with program's semi-annual progress reports	ADB approved continuous EMRs during construction period.
Indigenous Peoples			
6. SEC consideration in terms of (i) SEC disaggregated data-documentation of SEC beneficiaries/representatives in CHT and plain land TTCs, (ii) language and cultural sensitivity in planning any schemes, and (iii) in socio-	SDCMU	Implementation period	Monitoring of SEC-related actions is integrated into the Program Implementation Document and included in the program's

Action Description	Responsibility	Time frame	Measurement indicator
economic dimension to avoid unintended migration.			semiannual progress reports.
7. Ongoing SEIP GRM enhanced through SEC representation in SEC areas.	Implementing agencies, Finance Division, MoF	Implementation period	GRM update included in the program's semiannual progress reports.

ADB = Asian Development Bank, CHT = Chittagong Hill Tracks, DoE = Department of Environment, ECA = Environmental Conservation Act, ECC = environmental clearance certificate, ECR = Environmental Conservation Rules, EMP = environmental management plan, EMR = environmental monitoring reports, GRM = grievance redress mechanism, MOF = Ministry of Finance, SDCMU = Skills Development Coordination and Monitoring Unit, SEC = small ethnic communities, SEIP = Skills for Employment Investment Program, TTC = technical training center.