

Bangladesh: Bangladesh Municipal Water Supply and Sanitation Project

1. Project Information

Project ID:	P000068	Instrument ID:	L0068A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Water	Sub-sector:	Water supply, sanitation, and wastewater treatment
Instrument type:	<input checked="" type="checkbox"/> Loan:100.00 US Dollar million <input type="checkbox"/> Guarantee	Co-financier(s):	World Bank
ES category:	B	Borrowing Entity:	Ministry of Finance, Bangladesh
Implementing Entity:	Department of Public Health Engineering, Bangladesh		
Project Team Leader:	Jana Halida Uno		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Liu Yang, Project Counsel; Bernadette Ndeda, OSD - Procurement Specialist; Rui Xiang, OSD - Financial Management Specialist; Sheikh Naveed Ahmed, OSD - Social Development Specialist; Gerardo Pio Parco, OSD - Environment Specialist;		
Completed Site Visits by AIIB:	<p>Oct, 2020 a mission was organized by IDA Bangladesh country office from October 11-15. AIIB was not invited but received the Aide Memoire.</p> <p>Apr, 2021 a virtual joint implementation support mission with the World bank was conducted in April 2021.</p> <p>Oct, 2021 Visit by a virtual joint implementation support mission with the World Bank</p> <p>May, 2022 Implementation support mission with GoB and WB. AIIB's social development specialist and AIIB's field-based consultant attended the mission in Bangladesh on behalf of AIIB.</p>		
Planned Site Visits by AIIB:	<p>Nov, 2022 A field visit with GoB and the World Bank</p>		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2021/12		

2. Project Summary and Objectives

Project Objective is to increase access to improved water supply and sanitation services in selected pourashavas (municipalities) and strengthen the pourashavas' institutional capacities for delivering water and sanitation services.

The project is to improve: (i) waters supply and sanitation systems to improve living conditions of about 600,000 people, and at least 150,000 people respectively in selected 30 municipalities; and (ii) water services and management skills of implementing agencies' staff, e.g. DPHE, and other public and private sector

agencies".

3. Key Dates

Approval:	Jul. 11, 2019	Signing:	Dec. 11, 2019
Effective:	Mar. 05, 2020	Restructured (if any):	
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	21.92	Most recent disbursement (amount/date):	0.25/Jan. 07, 2022
Undisbursed:	78.08	Disbursement Ratio (%) ¹ :	21.92

5. Project Implementation Update

The overall project implementation has been progressing well since the last mission. The PMU has advanced the implementation of physical works particularly in the domains of water supply and drainage. A significant progress is also observed in municipal capacity strengthening activities with the preparation of draft model municipal by-laws, discussions on the municipality tariff model and training on WSS accounting software for municipality and DPHE personnel. The baseline sanitation assessments have also advanced and completed in 19 municipalities.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Sector Support and Capacity Strengthening of Department of Public Health Engineering and Pourashavas (USD10.69 million)	The PMU has completed the first round of training for municipality staff in WSS accounting software in all 30 project municipalities; and discussions about the tariff model have also been completed in the 30 municipalities. The project has also completed the training on accounting package, tariff discussions, gender training in all the municipalities, and the monitoring indicators in the GAP have been updated. The code of conduct to prevent Gender-based Violence (GBV) was developed	All CESMPs of all packages have been completed. Compliance with the EMF is adequate.	Expressions of Interest for the national-level communication consultancy are being evaluated

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

	<p>and the first round of trainings conducted. The third-party agency has also completed the baseline performance assessment in all municipalities. Immediate attention is needed to complete the enrolment of 50 percent households in 10 municipalities.</p>		
<p>Component 2: Investment for Water Supply Infrastructure (USD54.68 million)</p>	<p>The cumulative physical progress of construction under 13 bulk-water production packages was 52% compared to 31% in October 2021. Only 12 municipalities have accomplished more than 65% of physical progress, of which four municipalities (Tarabo, Chowgacha, Gangni and Goalondo) are nearing completion of their bulk-water facilities. Five municipalities are at the initial stages of construction primarily due to delay in confirmation of the land sites for constructing key water production and treatment facilities. Based on the analysis of the revised work plan of the 13 works packages, the Mission confirmed that in 10 municipalities (Nachole, Islampur, Tarabo, Chowgacha, Gangni, Goalanda, Shibganj, Bagha, Panchbibi and Akkelpur), the bulk-water production facilities are likely to be completed within October 31, 2022. The remaining 20 municipalities are projected to complete construction of bulk water facilities only by</p>	<p>The social safeguard screening process of the proposed WSS-linked civil works in all 30 municipalities has begun; however, it has been delayed due to lockdown and the delay in hiring a TSU consultant. DPHE will prepare a screening report with currently available information and regularly update the report when new data becomes available.</p> <p>It is reported that screening has been carried out in 13 municipalities that have drainage network plans, and the process will continue for the remaining 17 as well as for the locations of the 30 WFSTF. Moreover, 12 municipalities have purchased private land on a willing buyer willing seller basis, and 2 municipalities obtained them through voluntary donations</p>	<p>In order to closely sequence the bulk water facilities' construction and in parallel, by ensuring at least 50% enrollment of targeted households for availing house connections, the PMU is supporting the municipalities for inviting tenders for the installation of distribution pipeline systems including house connections with water meters. By May 2022, 9 contracts were signed for distribution pipeline installations, 8 packages were at different stages of procurement, and 3 under preparation. The remaining 10 municipalities are yet to fulfill the enrollment criteria of at least 50% households after which water supply distribution systems tender can be initiated.</p>

	<p>October 2023.</p> <p>However, the progress in household enrollments in 10 municipalities are slow and it was agreed that the PMU will complete the enrollment and initiate procurement for water supply distribution works for these municipalities by October 31, 2022. Since several municipalities have significant lags in their original work plan for completing constructions of bulk-water production facilities, it was agreed that the PMU will review construction work plans every month and submit the status report along with updated work plans to the Bank for review. The first such review report is required to be submitted by July 31, 2022.</p>		
<p>Component 3: Improving Sanitation and Drainage (USD30.67 million)</p>	<p>The Sanitation Support Consultant (SSC) supporting the municipalities in the preparation and implementation of municipality sanitation plans, are carrying out sanitation assessment surveys in 19 municipalities and a sample of a city-wide sanitation improvement plan has been completed for one municipality (Chowgacha). Significant improvements are made under Drainage Improvement sub-component as contracts have been signed for 24</p>	<p>Compliance with EMF is part of SSC TOR. The social screening forms and the screening report has ben updated based on information gathered since the last mission . The screening reports have indicated that drainage networks within the towns would displace structures including commercial structures and boundary walls etc. The adverse impacts will be mitigated through a Resettlement and Social Management Framework. DPHE has been requested to prioritize the screening of the drainage networks. The location of the fecal sludge treatment plant (FSTP) is not yet confirmed and hence it is not clear if public or private land will need to be acquired.</p> <p>A sanitation Support Consultancy Firm will be appointed to carry out</p>	<p>Contracts have bene signed for 24 out of 30 municipalities. The procurement process for the remaining 6 municipalities is at advanced stages of submission and evaluation</p>

	<p>municipalities, up from contracts for only three municipalities in last mission in October 2021. The procurement processing was at advanced stages of submission and evaluation stages for the remaining 6 municipalities. The TSU are helping prepare financial operating plan for drainage investments.</p>	<p>social and technical feasibility . Therefore, currently all 30 FSTP sites remains to be selected and screened for social safeguard impacts. The municipalities will utilize their own lands and obtain the remaining land through direct purchase, private donation, intergovernmental transfer. Specifically in the case of direct purchase the screening forms contains information on the names of the sellers ,witnesses and the sum of money paid for the purchase.</p> <p>The TSU has completed the drainage layout plans . Based on this, the PMU has confirmed that the planned drainage networks as a whole are likely to involve (a) removal of a substantial number of trees grown by private citizens on municipal / public lands; and (b) dismantling of unwallled terraces of a considerable number of shops, as well as varying stretches of boundary walls of private homesteads. The impacts are reported to vary across the municipalities.</p>	
<p>Component 4: Project Implementation and Management Support (USD3.96 million)</p>	<p>The Technical Support Unit (TSU) team personnel have nearly been fully deployed at central, regional/cluster and municipal levels . However, the existing contract with the TSU will expire on March 31, 2023, whereas requisite supervision of civil works plus trainings on gender, environmental safeguards and O&M of new schemes after their commissioning, will need to continue till the closing of the project. The PMU agreed to extend the contract closing date and readjust the staffing schedule considering the required critical capacity strengthening</p>	<p>E&S compliance confirmed: PMU has already prepared Environmental Management Plan; Resettlement and Social Management Framework and Small Ethnic Community Planning Framework.</p> <p>PMU carried out two training sessions with consultants and field staff and more trainings will be carried out when lockdown is eased. The Environmental Monitoring Checklists are prepared on a bi-weekly basis and are submitted to the World Bank. Further, the environmental monitoring laboratory data is being collected and will be submitted by July 15th. PMU is expected to submit a quarterly environmental report for Jan-March and Apr-Jun 2021 together by July 15th, 2021. The PMU will select an Assistant Engineer as safeguards focal person by May 7th, 2021.</p>	<p>Procurement of Technical Support Unit was completed and the TSU team deployed. The PMU agreed to extend the contract closing date for the existing contract for the TSU to continue supporting implementation of project activities.</p>

	support for the municipalities and operators particularly in operations and maintenance post-commissioning. The PMU will submit a proposal of revised TSU staffing schedule to the Bank for review by no later than July 31, 2022.	<p>The CEMPs for the 12 work packages following World Banks' comments have yet to be submitted. It is anticipated that the PMU will take measures to complete CEMPs and share them with the World Bank by May 30th, 2021.</p> <p>DPHE will develop a code of conduct for labor and contractors on GBV issues, and a GBV reporting mechanism will be developed before the commencement of construction work.</p> <p>The GAP monitoring sheet was updated as per the progress and findings. Planned gender trainings for officials were completed by PMU's Gender and Social Specialists for all the project municipalities, and the report was shared with the Bank. The PMU Gender Specialist assessed the public toilet locations and provided suggestions to some of the municipalities on locating these considering gender safety and accessibility. The PMU is now closely working with the municipalities to promote women self-help groups in public toilet management, and how to navigate this in the framework of competitive bidding for leasing out public toilets' operation and maintenance by municipalities. The PMU has completed one online training for contractors and engineers on the Code of Conduct (CoC) on preventing and responding to Sexual Exploitation and Abuse and Sexual Harassment ((SEA/SH) at construction sites.</p>	
Component 5: Contingent Emergency Response (USD0 million, n/a)	Provision	N/A	N/A

Financial Management:

The quarterly Interim Unaudited Financial Reports (IUFR) was submitted in a timely manner and deemed to be acceptable to the Bank.

The external audit report for FY2020-21 has also been timely submitted with an unqualified (clear) audit opinion issued on the financial statements of the project. However, the external auditors reported five observations in the management letter which are material from the Bank's perspective. The project team responded that it will take

appropriate actions to resolve the observations with the auditors by June 30, 2021.

The project has estimated additional cash requirement for US\$6 million for the next two quarters from the Bank and the project will submit the withdrawal application accordingly.

Full time project accountants have been hired though the junior position remains vacant as the project team proposes to fill this position by end of 2022 when activities are at full pace in the municipalities. The project has appointed the firm for carrying out the audit of municipalities and the audit will start work from August 2022.

6. Status of the Grievance Redress Mechanism (GRM)

The PMU has established two Grievance Redress Committees (GRC) in each of the 30 participating municipalities, with the gender-representative memberships specified in the Resettlement and Social Management Framework (RSMF) including one for project-affected persons and other stakeholders, and the other to deal exclusively with grievances / complaints of laborers who have been or will be engaged by the construction contractors. None of the 60 GRCs have received any complaints hitherto from the Project Affected Persons (PAP) or workers.

7. Results Monitoring

An intermediate indicator is progressing to reflect procurement and physical progress. Target values are set-up for achievement at project closure.

Project Objective Indicators #1

People provided with access to improved water sources (gender disaggregated reporting)

Year	Target	Actual	Comments, if any
Jan. 01, 2025	600,000	0	not yet due

Project Objective Indicators #2

People provided with improved sanitation services (gender disaggregated reporting)

Year	Target	Actual	Comments, if any
Dec. 31, 2024	750,000	0	not yet due

Project Objective Indicators #3

Number of pourashavas scoring 50% and above in Performance Assessment Scorecard

Year	Target	Actual	Comments, if any
Dec. 31, 2024	30	0	Institutional performance scorecard includes citizen participation and interface, institutional capacity improvements for water supply and sanitation management and supervision, services delivery, inclusion and gender outcomes. Municipalities achieving a minimum score will be considered as having improved their institutional system.

Project Objective Indicators #4

Number of pourashavas with operational water supply systems

Year	Target	Actual	Comments, if any
Dec. 31, 2024	30	0	Not yet due.

Intermediate Result Indicators #1

Component 1: Sector Support and Capacity Strengthening: Participating Pourashavas with at least 80% cost recovery on operations and maintenance

Year	Target	Actual	Comments, if any
Dec. 31, 2024	24	0	Not yet due.

Intermediate Result Indicators #2

Component 2: Investment for Water Supply Infrastructure: Number of Pourashavas supplying at least 11 hours of water to customers

Year	Target	Actual	Comments, if any
Dec. 31, 2024	20	0	Not yet due.

Intermediate Result Indicators #3

Component 2: Investment for Water Supply Infrastructure: Number of Pourashavas supply water of quality in compliance with Bangladesh standards

Year	Target	Actual	Comments, if any
Dec. 31, 2024	30	0	Not yet due.

Intermediate Result Indicators #4

Component 3: Improving Sanitation and Drainage: Number of Pourashavas with at least 60% improved toilets.

Year	Target	Actual	Comments, if any
Dec. 31, 2024	25	0	Not yet due.

Intermediate Result Indicators #5

Component 3: Improving Sanitation and Drainage: Number of Pourashavas with operational service contracts for emptying septic tanks.

Year	Target	Actual	Comments, if any
Dec. 31, 2024	15	0	Not yet due.

Intermediate Result Indicators #6

Component 3: Improving Sanitation and Drainage: Number of Pourashavas that implement drainage improvements to manage

storm water and waste water.

Year	Target	Actual	Comments, if any
Dec. 31, 2024	30	24	Progressing

Intermediate Result Indicators #7

Component 4: Project Implementation and Management Support: Percentage of beneficiaries expressing satisfaction over service provision (gender disaggregated)

Year	Target	Actual	Comments, if any
Dec. 31, 2024	55	0	Not yet due.

Remarks:
