

## Bangladesh : Rural water, Sanitation and Hygiene for Human Capital Development Project

### 1. Project Information

Project ID:	P000398	Instrument ID:	L0398A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Water	Sub-sector:	Water supply, sanitation, and wastewater treatment
Instrument type:	<input checked="" type="checkbox"/> Loan:200.00 US Dollar million <input type="checkbox"/> Guarantee	Lead 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:	Ankur Agrawal		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	<p>Sheikh Naveed Ahmed, OSD - Environment &amp; Social Development Specialist;  Christopher Damandl, Project Counsel;  Bernardita Saez, Alternate Counsel;  Jurminla Jurminla, OSD - Procurement Specialist;  Yogesh Malla, OSD - Financial Management Specialist;  Asma Bachikh, Team Member;  Ankur Agrawal, Back-up PTL;  Jinghui Li, Project admin</p>		
Completed Site Visits by AIIB:	<p>Nov, 2021  World Bank and AIIB had a virtual implementation support mission from November 14 to November 24, 2021.  Jun, 2022  AIIB team along with the World Bank team visited three sites in the Manikgonj district. DPHE is building public toilets and hand washing stations. In addition, a small piped water system is proposed here. Construction of the public toilets and hand washing stations is already in progress while public consultations are being held for the small piped water system. Generally, it was found to be satisfactory.  Jan, 2023  AIIB team along with the World Bank team visited conducted an implementation support mission.</p>		
Planned Site Visits by AIIB:	<p>Jul, 2023  AIIB and the WB are planning a review mission along with site visits in July 2023.</p>		
Current Red Flags Assigned:	0		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2022/12		

### 2. Project Summary and Objectives

The project has two main objectives - (i) to improve access to 'safely-managed' water supply and sanitation in selected areas of rural Bangladesh; and (ii) to strengthen sector institutional capacity for water and sanitation. The project has six components (a) investments in piped water schemes to support water scarce communities; (b) investments in sanitation and hygiene facilities in priority public locations; (c) strengthening of policies and regulatory framework and capacity building of local institutions; (d) institutional capacity for project implementation and project management; (e) COVID-19 emergency responses by providing quick just-in-time WASH facilities where needed; and (f) Contingent emergency response - provisional zero amount component for reallocation of loan proceeds, if required.

The project will be implemented by two implementing agencies Department of Public Health Engineering (DPHE) and Palli Karma-Sahayak Foundation (PKSF). The implementation period is November 2020 to May 2025.

The total project cost is USD550.5 million which shall be financed AIB loan of USD200 million, World Bank's IDA loan of USD200 million (lead co-financier) and counterpart funds through Government of Bangladesh of USD150.5 million.

### 3. Key Dates

Approval:	Oct. 16, 2020	Signing:	Feb. 18, 2021
Effective:	May. 11, 2021	Restructured (if any):	
Orig. Closing:	Nov. 20, 2025	Rev. Closing (if any):	

### 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	39.29	Most recent disbursement (amount/date):	3.71/May. 30, 2023
Undisbursed:	160.71	Disbursement Ratio (%) <sup>1</sup> :	19.64

### 5. Project Implementation Update

Implementation update for DPHE executed part: DPHE has made swift progress with the tendering of various Goods, Works and Services packages. About 60% of the Works contracts have already been awarded mainly pertaining to Component 2 and Component 5. The average physical progress of works under Component 2 is around 25% while it is about 50% under Component 5.

Implementation update for PKSF executed part: All major Services and Goods contracts have been executed. PKSF has been disbursing loans at a field level since January 2022. A total of 19,564 household water facilities have been installed/upgraded and 67,891 safely managed toilets have been constructed through PKSF loans..

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Investments in	For DPHE, the physical construction works are	Based on the Environmental and Social Management Framework	Out of 30 packages, construction works are

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

water supply	<p>ongoing under 28 procurement packages. For large- piped water supply component, 61 pre-feasibility reports have been completed and 40 sites have been cleared for detailed feasibility study in nine districts. Field survey is currently going on for this and the final reports are expected by Q4FY23.</p> <p>PKSF has been doing field level activities since January 2022. A total of 19,564 Water supply facilities have been constructed through PKSF loans. PKSF has also extended microfinance credit to 14 local water entrepreneurs.</p>	<p>(ESMF), the site-specific Environmental and Social Management Plan (ESMP) has been prepared to mitigate and minimize the adverse impacts.</p> <p>15 safeguard reports were completed that include 174 screening forms for small piped water schemes.</p>	ongoing in 28 packages while the other two are under tender evaluation.
Component 2: Investments in sanitation and hygiene	<p>Construction work is going on under 15 packages with average physical progress of about 25%.</p> <p>PKSF has extended loans for construction of 67,891 safely managed sanitation and hygiene facilities at household level. Further, MFI loans have been extended to 52 local sanitation entrepreneurs.</p>	15 safeguard reports were completed that comprise of 507 screening forms for sanitation packages.	All 18 packages have been tendered and the construction works are ongoing under 15 packages.
Component 3: Institutional strengthening	The TA firm for BCC campaign, and for training and capacity building of local government institutions is expected to be onboarded by Q3FY23.	N/A	The tender for consulting firm for capacity building and institutional strengthening is under evaluation and is expected to onboarded by Q3FY23.
Component 4: Project implementation and management	<p>DPHE: Seven individual consultants are onboard to support the PMU.</p> <p>PKSF: 16 individual consultants are onboard to support the project</p>	E&S experts are already onboard to support the PMU. During the reporting period, the Environmental and Social Team of PMU organized training sessions on Environmental and Social Screening for DPHE staff in 19 districts. The session was	Four out of 11 goods packages for PMU have been completed and the PMU will gradually procure other packages as and when required. PKSF: The procurement of a firm for

	implementation.	attended by 114 participants who gained a comprehensive understanding of the screening process through practical exercises.	providing technical assistance to develop digital reporting system for PKSF is under progress and is expected to be awarded by Q3FY2023.
Component 5: COVID-19 emergency response	DPHE is providing emergency WASH services in 20 upazilas in 12 districts. All 12 packages have been tendered in 2022 and the construction work has been ongoing. Overall physical progress is around 50% and the works are expected to be completed by Q3FY23.	All sites have been screened for potential environment and social issues.	All 12 packages under this component have been tendered the construction work is going on.
Component 6: Contingent emergency response	N/A	N/A	N/A

**Financial Management:**

In both agencies, the financial management consultants are on board. The Officer of the Comptroller and Auditor General of Bangladesh has conducted project audit for DPHE part for the year 2021-22 and has submitted an unqualified report. The auditors have raised observations on certain expenditures which shall be discussed in the upcoming mission. The internal audit was carried out on sample basis on the PKSF component. The auditor's observations included those related to slow disbursement of loan funds to clients, constructions delays etc. shall be discussed in the upcoming mission. The project external audit for PKSF part has also been concluded for the year 2021-22 by an external audit firm which has issued an unqualified audit report.

**6. Status of the Grievance Redress Mechanism (GRM)**

The project established Grievance Redress Mechanism (GRM) at the central, district, upazila, and union levels to receive and evaluate concerns and complaints related to the project's environmental and social performance. As of March 2023, 10 district-level, 8 upazila-level, and 14 union-level GRCs were formed for DPHE part. Similarly, for PKSF part 72 GRCs are operational. Efforts are being made both to spread awareness about the GRM through distribution of leaflets in the construction areas and through awareness sessions.

**7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

Result achievement is delayed due to initial implementation delays.

**Remarks:**

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values															Frequency	Responsibility	Comments			
			Baseline		2020		2021		2022		2023		2024		2025		End Target						
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual	
The number of people provided with access to 'safely-managed' water services (gender disaggregated indicator).	Project	Number	2020	0	0	0	0	0	0	50,000	0	100,000		300,000		589,680		2025	589,680		Quarterly	DPHE	
The number of people provided with access to 'safely-managed' sanitation services (gender disaggregated indicator).	Project	Number	2020	0	0	0	30,000	0	200,000	152,783	1,000,000		2,000,000		3,618,900		2025	3,618,900		Quarterly	DPHE and PKSF		
# of Upazilas that established and are using the monitoring system.	Project	Number	2020	0	0	0	10	0	20	0	40	0	78		78		2025	78		Quarterly	DPHE		

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values															Frequency	Responsibility	Comments		
			Baseline		2020		2021		2022		2023		2024		2025		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year				Target	Actual
Amount of MFI financing mobilized (in BDT)	Project	Number	2020	0	0	0	0	0	1,000,000,000	188,446,758	3,000,000,000		7,000,000,000		12,190,000,000		2025	12,190,000,000		Quarterly	PKSF	
The number of handwashing stations built with running water and soap available	Project	Number	2020	0	0	0	50	0	1,000	20,050	100,000		300,000		763,000		2025	763,000		Quarterly	DPHE	
% of water quality tests that meet national standards	Project	Percentage	2020	0	0	0	0	0	0	0	50		80		80		2025	80		Quarterly	DPHE	

% of households paying their water tariffs on time (i.e. collection efficiency rate)	Project	Percentage	2020	0	0	0	0	0	0	0	50	70	80	2025	80	Quarterly	DPHE
% of community water management committees whose chair is woman	Project	Percentage	2020	0	0	0	0	0	10	0	20	30	30	2025	30	Quarterly	DPHE
% of piped water schemes using solar photovoltaic (PV) as their main energy source	Project	Percentage	2020	0	0	0	0	0	0	0	5	10	10	2025	10	Quarterly	DPHE
# of LEs trained on 'safely-managed' WASH infrastructure	Project	Number	2020	0	0	0	0	0	100	890	500	1,000	2,340	2026	2,340.00	Quarterly	PKSF
The number of policy documents under the National Strategy for Water Supply and Sanitation adopted or endorsed	Project	Number	2020	0	0	0	0	0	1	0	2	2	4	2026	4	Yearly	DPHE
# of public officials at the local level (Upazilas, UPS, health workers) trained	Project	Number	2020	0	0	0	100	0	10,000	0	5,000	10,000	18,600	2026	14,718	Quarterly	DPHE