

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	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:	Sheikh Naveed Ahmed, OSD - Environment & Social Development Specialist; Christopher Damandl, Project Counsel; Bernardita Saez, Alternate Counsel; Jurminla Jurminla, OSD - Procurement Specialist; Yogesh Malla, OSD - Financial Management Specialist; Ankur Agrawal, Back-up PTL; Jinghui Li, Project admin;		
Completed Site Visits by AIIB:	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, hand washing stations and a small pipe water systems is proposed here. Construction of public toilets and hand washing is already in progress while public consultations are being held for the small pipe water systems. Generally, it was found to be satisfactory.		
Planned Site Visits by AIIB:	NA Dec, 2022 New site visits shall be done during the next mission in December 2022.		
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

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 and will largely support (a) investments in piped water schemes to support water scarce communities; (b) investments in sanitation and hygiene facilities in priority public locations; (c) microfinance loans to households for WASH (Water, Sanitation and Hygiene) improvements and to local entrepreneurs for developing WASH facilities; (d) strengthening of policies and regulatory framework and capacity building of local institutions; (e) institutional capacity for project implementation and project

management; and (f) COVID-19 emergency responses by providing quick just-in-time WASH facilities where needed; and (g) Contingent emergency response - provisional zero amount component for reallocation of loan proceeds, if required.

The project will be implemented during the period November 2020 to May 2025.

The total project cost is USD550.5 million which shall be financed AIIB 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.

The loan will have a final maturity of 35 years, including a grace period of five years.

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:	25.66	Most recent disbursement (amount/date):	8.30/Jan. 11, 2022
Undisbursed:	174.34	Disbursement Ratio (%) ¹ :	12.83

5. Project Implementation Update

Both the implementing agencies - DPHE and PKSF had established their respective Project Management Units which is now fully staffed. DPHE has onboarded all seven consultants while PKSF has onboarded 15 consultants while the remaining two are expected in the month of June itself.

Implementation update for DPHE executed part: DPHE has made swift progress with the tendering of various Goods, Works and Services package. Physical progress under Component 5 (Covid-19 response) has already started while the physical progress under Component 1 (Investment in water supply) and Component 2 (Investment in sanitation and hygiene) are expected to begin by July 2022.

Implementation update for PKSF executed part: Field level activities have started - Household level water loans have been provided to about 666 households while sanitation and hygiene loans have been provided to about 1593 households.

Components	Physical Progress	Environmental & Social Compliance	Procurement
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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.

Component 1: Investments in water supply	For DPHE, the procurement has started and the physical progress is expected to begin in July 2022. PKSF has now started field activities and disbursing loans through its Partner Organizations.	The Environmental and Social consultants for both DPHE and PKSF are now onboard. DPHE and PKSF has been organizing trainings on Environmental and Social Safeguards for all partners. E&S screening for all sites are being done.	The procurement process for hiring of TA firm for feasibility studies etc. is being concluded and the firm shall be onboarded by July, 2022. A total of 22 packages are in different stages of tendering.
Component 2: Investments in sanitation and hygiene	Construction of Sanitation and Hygiene facilities will begin soon, a total of 18 packages for these facilities are in different stages of procurement.	All sites are being screened for E&S compliance before construction starts.	Construction of Sanitation and Hygiene facilities will begin soon, a total of 18 packages for these facilities are in different stages of procurement.
Component 3: Institutional strengthening	Procurement of consulting firm for capacity building and institutional strengthening has already started, firm is expected to be onboarded by September, 2022.	N/A	Procurement of consulting firm for capacity building and institutional strengthening has already started, firm is expected to be onboarded by September, 2022.
Component 4: Project implementation and management	All Services and Goods packages have been tendered.	The procurement process for environmental and social consultants for both DPHE and PKSF has been completed.	All Services and Goods packages have been tendered.
Component 5: COVID-19 emergency response	DPHE is providing emergency WASH services in 20 upazilas in 12 districts. All 12 packages are in different stages of procurement, some packages have been awarded. 22% physical progress has been achieved.	All sites have been screened for potential environment and social issues.	All 12 packages are in different stages of procurement, some packages have been awarded. 22% physical progress has been achieved.
Component 6: Contingent emergency response	N/A	N/A	N/A

Financial Management:

In both agencies, the financial management consultants are on board. DPHE has agreed to procure an off-the-shelf account software with concurrence of Bank by June 30, 2022. DPHE will hire an internal audit firm with agreed ToR of Bank by October 31, 2022. The Officer of the Comptroller and Auditor General of Bangladesh will conduct external project audit of DPHE and submit report by December 31, 2022.

PKSF has advanced an amount of approximately \$22 million to its Partner Organizations which needs to be further loaned to individual beneficiaries. Since the counterpart funding needs to be tracked at the beneficiary level, reporting mechanism shall be strengthened to ensure that the counterpart financing ratio (19 percent) for MFI loans

is properly reflected in the quarterly reports. The Project's internal audit will be included in the annual plan of PKSF's internal audit department. The hiring process of the external audit is expected to be completed soon and the report will be submitted to the Bank by December 31, 2022.

6. Status of the Grievance Redress Mechanism (GRM)

Project level Grievance Redressal Committee has been formed and activated.

7. Results Monitoring

Results will be monitored in due course.

Project Objective Indicators #1

The number of people provided with access to 'safely-managed' water services (gender disaggregated indicator)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	50,000	N/A	
Dec. 31, 2023	100,000	N/A	
Dec. 31, 2024	300,000	N/A	
Dec. 31, 2025	589,680	N/A	

Project Objective Indicators #2

The number of people provided with access to 'safely-managed' sanitation services (gender disaggregated indicator).

Year	Target	Actual	Comments, if any
Dec. 31, 2021	30,000	N/A	
Dec. 31, 2022	200,000	N/A	
Dec. 31, 2023	1,000,000	N/A	
Dec. 31, 2024	2,000,000	N/A	
Dec. 31, 2025	3,618,900	N/A	

Project Objective Indicators #3

of Upazilas that established and are using the monitoring system

Year	Target	Actual	Comments, if any
Dec. 31, 2021	10	N/A	
Dec. 31, 2022	20	N/A	
Dec. 31, 2023	40	N/A	
Dec. 31, 2024	78	N/A	
Dec. 31, 2025	78	N/A	

Intermediate Result Indicators #1

Amount of MFI financing mobilized (in BDT million)

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	1000	N/A	
Dec. 31, 2023	3000	N/A	
Dec. 31, 2024	7000	N/A	
Dec. 31, 2025	12,190	N/A	

Intermediate Result Indicators #2

The number of handwashing stations built with running water and soap available.

Year	Target	Actual	Comments, if any
Dec. 31, 2021	50	N/A	
Dec. 31, 2022	1000	N/A	
Dec. 31, 2023	100,000	N/A	
Dec. 31, 2024	300,000	N/A	
Dec. 31, 2025	763,000	N/A	

Intermediate Result Indicators #3

% of water quality tests that meet national standards.

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	0	N/A	
Dec. 31, 2023	50	N/A	
Dec. 31, 2024	80	N/A	
Dec. 31, 2025	80	N/A	

Intermediate Result Indicators #4

% of households paying their water tariffs on time (collection efficiency rate).

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	0	N/A	
Dec. 31, 2023	50	N/A	
Dec. 31, 2024	70	N/A	
Dec. 31, 2025	80	N/A	

Intermediate Result Indicators #5

% of community water management committees whose chair is woman

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	10	N/A	
Dec. 31, 2023	20	N/A	
Dec. 31, 2024	30	N/A	
Dec. 31, 2025	30	N/A	

Intermediate Result Indicators #6

% of piped water schemes using solar photovoltaic (PV) as their main energy source.

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	0	N/A	
Dec. 31, 2023	5	N/A	
Dec. 31, 2024	10	N/A	
Dec. 31, 2025	10	N/A	

Intermediate Result Indicators #7

of LEs trained on 'safely-managed' WASH infrastructure.

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	100	N/A	
Dec. 31, 2023	500	N/A	
Dec. 31, 2024	1000	N/A	
Dec. 31, 2025	2300	N/A	

Intermediate Result Indicators #8

The number of policy documents under the National Strategy for Water Supply and Sanitation adopted or endorsed.

Year	Target	Actual	Comments, if any
Dec. 31, 2021	0	N/A	
Dec. 31, 2022	1	N/A	
Dec. 31, 2023	2	N/A	
Dec. 31, 2024	2	N/A	
Dec. 31, 2025	4	N/A	

Remarks: