

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

1. Project Information

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|-----------------------------------|---|-------------------|--|
| 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 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. | | |
| Planned Site Visits by AIIB: | Jan, 2023 AIIB and the WB are planning a review mission along with site visits in January 2023. | | |
| Current Red Flags Assigned: | 0 | | |
| Current Monitoring Regime: | Regular Monitoring | | |
| Previous Red Flags Assigned: | 0 | | |
| Previous Red Flags Assigned Date: | 2022/06 | | |

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 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.

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): | 8.29/Jan. 11, 2022 |
| Undisbursed: | 174.34 | Disbursement Ratio (%) ¹ : | 12.83 |

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 40% of the Works contract by value have already been tendered. Physical construction works under Component 5 have been ongoing since Q1FY2022 while works under Component 1 and Component 2 have also started from Q2FY22.

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 3492 Water Supply facilities and 14388 safely managed toilets have been constructed through PKSF loans.

| Components | Physical Progress | Environmental & Social Compliance | Procurement |
|--|--|---|---|
| Component 1: Investments in water supply | For DPHE, the physical construction works are ongoing under 21 procurement packages. PKSF has been doing field level activities since January 2022. A | The Environmental and Social consultants for both DPHE and PKSF are now onboard. DPHE and PKSF have been organizing trainings on Environmental and Social Safeguards for all partners. E&S screening for all sites is being undertaken. | Out of 30 packages, construction works are ongoing in 21 packages, tender evaluation is underway in 6 packages and the tender is in process under 3 packages. |

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.

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|--|---|---|---|
| | total of 3492 Water Supply facilities have been constructed through PKSF loans. | | |
| Component 2: Investments in sanitation and hygiene | Construction work under each of the 18 packages is ongoing. About 14,388 toilets have been constructed through PKSF loans. | All sites are being screened for E&S compliance before construction starts. | All 18 packages have been tendered and the construction works are ongoing. |
| Component 3: Institutional strengthening | The consulting firm for capacity building and institutional strengthening is already onboard. | E&S experts are already onboard. | The consulting firm for capacity building and institutional strengthening is already onboard. |
| 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 have been tendered in 2022 and the construction work has been ongoing. The works under this component are expected to be completed by Q1FY23. | All sites have been screened for potential environment and social issues. | 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. The works under this component are expected to be completed by Q1FY23. |
| 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 is conducting external project audit of DPHE and is expected to submit report by December 31, 2022.

PKSF has advanced an amount of approximately USD37 million to its Partner Organizations which needs to be further on-lent to individual beneficiaries. Since the counterpart funding needs to be tracked at the beneficiary level, the reporting mechanism is expected to 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 a 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 |
|---------------|---------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |
| Jan. 01, 2023 | 50,000 | N/A | |
| Jan. 01, 2024 | 100,000 | N/A | |
| Jan. 01, 2025 | 300,000 | N/A | |
| Jan. 01, 2026 | 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 |
|---------------|-----------|--------|------------------|
| Jan. 01, 2022 | 30,000 | 0 | |
| Jan. 01, 2023 | 200,000 | N/A | |
| Jan. 01, 2024 | 1,000,000 | N/A | |
| Jan. 01, 2025 | 2,000,000 | N/A | |
| Jan. 01, 2026 | 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 |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 10 | 0 | |
| Jan. 01, 2023 | 20 | N/A | |
| Jan. 01, 2024 | 40 | N/A | |
| Jan. 01, 2025 | 78 | N/A | |
| Jan. 01, 2026 | 78 | N/A | |

Intermediate Result Indicators #1

Amount of MFI financing mobilized (in BDT million)

| Year | Target | Actual | Comments, if any |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |

| | | | |
|---------------|--------|-----|--|
| Jan. 01, 2023 | 1000 | N/A | |
| Jan. 01, 2024 | 3000 | N/A | |
| Jan. 01, 2025 | 7000 | N/A | |
| Jan. 01, 2026 | 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 |
|---------------|---------|--------|------------------|
| Jan. 01, 2022 | 50 | 0 | |
| Jan. 01, 2023 | 1000 | N/A | |
| Jan. 01, 2024 | 100,000 | N/A | |
| Jan. 01, 2025 | 300,000 | N/A | |
| Jan. 01, 2026 | 763,000 | N/A | |

Intermediate Result Indicators #3

% of water quality tests that meet national standards.

| Year | Target | Actual | Comments, if any |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |
| Jan. 01, 2023 | 0 | N/A | |
| Jan. 01, 2024 | 50 | N/A | |
| Jan. 01, 2025 | 80 | N/A | |
| Jan. 01, 2026 | 80 | N/A | |

Intermediate Result Indicators #4

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

| Year | Target | Actual | Comments, if any |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |
| Jan. 01, 2023 | 0 | N/A | |
| Jan. 01, 2024 | 50 | N/A | |
| Jan. 01, 2025 | 70 | N/A | |
| Jan. 01, 2026 | 80 | N/A | |

Intermediate Result Indicators #5

% of community water management committees whose chair is woman

| Year | Target | Actual | Comments, if any |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |
| Jan. 01, 2023 | 10 | N/A | |

| | | | |
|---------------|----|-----|--|
| Jan. 01, 2024 | 20 | N/A | |
| Jan. 01, 2025 | 30 | N/A | |
| Jan. 01, 2026 | 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 |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |
| Jan. 01, 2023 | 0 | N/A | |
| Jan. 01, 2024 | 5 | N/A | |
| Jan. 01, 2025 | 10 | N/A | |
| Jan. 01, 2026 | 10 | N/A | |

Intermediate Result Indicators #7

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

| Year | Target | Actual | Comments, if any |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |
| Jan. 01, 2023 | 100 | N/A | |
| Jan. 01, 2024 | 500 | N/A | |
| Jan. 01, 2025 | 1000 | N/A | |
| Jan. 01, 2026 | 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 |
|---------------|--------|--------|------------------|
| Jan. 01, 2022 | 0 | 0 | |
| Jan. 01, 2023 | 1 | N/A | |
| Jan. 01, 2024 | 2 | N/A | |
| Jan. 01, 2025 | 2 | N/A | |
| Jan. 01, 2026 | 4 | N/A | |

Remarks:
