

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

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; Palli Karma-Sahayak Foundation		
Project Team Leader:	Bo Zhang		
Responsible DG:	Rajat Misra		
Responsible Department:	PSC1		
Project Team Members:	Christopher Damandl, Project Counsel; Bernardita Saez, Alternate Counsel; Jurminla Jurminla, OSD - Procurement Specialist; Yogesh Malla, OSD - Financial Management Specialist; Victoria Pimkina, Team Member; Asma Bachikh, Team Member; Victoriano Macasaquit, OSD - Environment & Social Development Specialist; Asma Bachikh, 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 World Bank and AIIB carried out a joint implementation support mission and 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. Jul, 2023 AIIB team along with the World Bank team conducted an implementation support mission from July 24 to August 2, 2023. Mar, 2024 Team of World Bank and AIIB team conducted an implementation mid-term review mission on March 2-9, 2024.		
Planned Site Visits by AIIB:	Sep, 2024 AIIB and the WB are planning a review mission along with site visits in September, 2024.		
Current Red Flags Assigned:	0		
Current Monitoring	Regular Monitoring		

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

Regime:	
Previous Red Flags Assigned:	0
Previous Red Flags Assigned Date:	2023/12

2. Project Summary and Objectives

The project has two main objectives - (i) to improve access to 'safe-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 is being 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, including a USD200 million loan from AIIB, a USD200 million IDA loan from the World Bank (lead co-financier), and a USD150.5 million counterpart funds through Government of Bangladesh.

3. Key Dates

Approval:	Oct. 16, 2020	Signing:	Feb. 18, 2021
Effective:	May. 11, 2021	Restructured (if any):	May. 15, 2024
Orig. Closing:	Nov. 20, 2025	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	72.52	Latest disbursement (amount/date):	17.30/Jun. 12, 2024
Undisbursed:	127.48	Disbursement Ratio (%) ¹ :	36.26

5. Project Implementation Update

Restructuring: Upon the request from the Bangladesh government, World Bank and AIIB have agreed to expand the project coverage to 182 Upazilas, by adding 104 Upazilas to the original 78 Upazilas. The amendments to Loan Agreement between World Bank/AIIB and Ministry of Finance of Bangladesh, were signed on April 29, 2024, and May 15, 2024, respectively. Accordingly, the Co-lenders' Agreement between AIIB and World Bank was signed in April 2024 to confirm the acceptance of the project coverage expansion. **Implementation update for DPHE executed**

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.

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

part: DPHE revised Development Project Proposal (DPP) to address the issues related to price hike. DPP proposed to reduce the number of large-piped water schemes from 78 to 54, small-piped water schemes from 3,364 to 3,278, household toilets for extreme poor from 346,200 to 220,874 including COVID-19 emergency response areas. Implementation of awarded packages had progressed in this period. As of March 2024, 62 had been completed, out of 91 works packages. Works under 28 packages were ongoing, and 1 has yet to start.

- For Large-piped water schemes, tenders for all schemes were invited, and contracts for 22 large-piped water schemes had been awarded.
- For Small-piped water scheme: After initial delays in site selection and challenges in community engagement, construction is now proceeding smoothly. 209 schemes had been completed which provided water to 33,022 beneficiaries.
- For identification of extreme poor households to build toilets: The Income Support Program for the Poorest-Jawtno (ISPP-Jawtno), being used earlier for the identification of the extreme poor, has now closed. It was agreed during the mid-term review mission to use the list of Mother and Child Benefit Program (MCBP) beneficiaries from the Ministry of Women and Children Affairs (MoWCA). Once the list is confirmed, the work to build twin-pit toilets for extreme poor households will start.

Implementation update for PKSF executed part: All major Services and Goods contracts have been executed. PKSF has been disbursing loans at field level since January 2022. A total of 53,079 household water facilities have been installed/upgraded and 199,467 safely managed toilets have been constructed through PKSF loans. Currently the overall project implementation progress is behind schedule. The delay was due to the construction difficulty during the rainy season (June-October). A more rapid implementation progress is expected after the rainy season. The progress towards the Project Development Objective (PDO) and the agreed actions out of the recent mid-term review mission will be further reviewed during the next review mission to reassess the completion rating and to revise if needed.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Investments in water supply	<p>DPHE: Physical construction works are going on under the small-piped water supply scheme under 29 procurement packages with an overall physical progress of about 86.09%.</p> <p>For large-piped water supply component, 120 pre- feasibility reports have been completed out of which detailed feasibility study is being done for 80 schemes. Field survey for about 79 schemes have already been completed.</p>	<p>A Environmental and Social Management Plans (ESMP) have been prepared for the 21 Small Pipe Water Supply Schemes (SPWSs), and 54 Large Pipe Water Supply Schemes (LPWSs).</p> <p>E&S aspects were integrated into tender documents to ensure ESMP compliance throughout implementation particularly the Environmental and Social Code of Practice in the document.</p>	Tender evaluation of 54 schemes under 22 packages are under process.

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

	<p>Feasibility study for climate-risk hotspots in coastal areas: The firm responsible for conducting the feasibility study has identified the water scarce areas and completed the mapping.</p> <p>PKSF: There had been doing field level activities since January 2022. As of March 2024, a total of 53,079 Households Water Loans had been disbursed. PKSF has also extended microfinance credit to 54 local water entrepreneurs.</p>		
<p>Component 2: Investments in sanitation and hygiene</p>	<p>DPHE: The construction of 292 public toilets has been completed, and these facilities are now in use. As a result, 584,000 beneficiaries have been served.</p> <p>While construction of 73 public toilets is still ongoing. The construction of 55 new sanitation and hygiene facilities in community clinics is ongoing.</p> <p>355 new sanitation and hygiene facilities in community clinics are now in use which are serving 106,500 beneficiaries.</p> <p>The overall physical progress of new sanitation and hygiene facilities in community clinics is about 71%.</p> <p>PKSF</p>	<p>A Environmental and Social Management Plans (ESMP) have been prepared, covering 23 sanitation packages including 3,858 site-specific screenings have been conducted, encompassing 1,234 sanitation packages, The screening for Twin-pit Latrines was facilitated by Local Entrepreneurs (LEs) utilizing mobile apps, streamlining the process and enhancing efficiency in compliance monitoring and risk mitigation.</p> <p>The environmental assessments (EA) of 17 sites have been completed, taking into account the surrounding environmental and social features of integrated waste management facilities (IWMF) and small-fecal sludge management facilities (S-FSMF).</p> <p>There were some delays in the implementation of DPHE-led activities due to the following: a) national election, b) effects of fasting in Ramadan; d) scattered site selection and construction toilets have affected the cost; e) increased labor costs due to travel of laborers from scattered</p>	<p>All 30 packages have been tendered and the construction works have been completed in 17 and ongoing under the remaining packages.</p>

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

	<p>Loans for construction of 199,467 safely managed sanitation and hygiene facilities at household level have been extended.</p> <p>Micro-finance institutions (MFI) loans have been extended to 213 local sanitation entrepreneurs. Both DPHE and PKSF are engaged in Behavior Change Campaign (BCC) campaigns to raise awareness and demand creation. BCC materials have been developed and the partner originations of PKSF conducted 18,206 awareness sessions on five issues.</p>	<p>locations; and f) Less interests for some communities in motivating the conventional latrine holder in building safely managed twin-pit toilets.</p> <p>The delays in PKSF-led activities were due to the following: a) the grant based toilet installed by DPHE and the free toilet supported by local non-governmental organizations (NGOs) are under the same areas in the same Upazilas; b) lack of Household Sanitation Loan (HSL) and Household Water Loan (HWL) disbursement strategy to the non-group households; c) Income Generating Activities (IGA) loan borrowers are still carrying out the installment while the branch offices could not disburse WASH loan until IGA installment is finished.</p> <p>PKSF has undertaken a robust effort to train and build the capacity of 2,041 Local Entrepreneurs (LEs), including 161 women on water, sanitation, and hygiene.</p>	
Component 3: Institutional strengthening	<p>Information Management & Visualization System (DPHE, PKSF): The software development for Information Management & Visualization System under the project is currently underway.</p>	N/A	<p>The tender for consulting firm for capacity building and institutional strengthening has been completed and has been onboarded.</p>
Component 4: Project implementation and management	<p>Procurement of District Coordinators and Consulting Firm: All District Level Coordinators have been onboarded and are conducting work at the district level.</p>	<p>During the reporting period, a comprehensive engagement strategy was executed, 4,362 community consultation meetings were conducted during screening processes, along with 30 district-level orientation sessions to introduce stakeholders to the Small Piped Water Supply Scheme.</p> <p>Conducted 28 orientation sessions for Upazila WatSan Committees, and 313 sessions for Union Parishad, focusing on Twin-pit</p>	<p>DPHE: Contract agreement under Packages No.: RWSHP-SD- 11 & 12 (District Level Coordinator) has been completed and coordinators are already onboarded for the construction work at the district level as per their terms of references.</p> <p>PKSF: The procurement of a firm for providing technical assistance to develop</p>

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

		<p>Latrine identification and implementation.</p> <p>Established 2,554 Water Management Committees with a total of 17,878 community members, of which 2,554 key positions are held by female members.</p> <p>The increase of upazila coverage was based on the restructuring in April 2024, which will not have implications to E&S risks and impacts as the Project still need to prepare site specific E&S instruments/ documents for the additional sites as per the agreed Environmental Management Framework (EMF); Resettlement and Social Management Framework (RSMF); and Small Ethnic Community Planning Framework (SECPF).</p> <p>Both DPHE and PKSF provide need-based training, orientation and coaching to the front level staffs. The purpose is to strengthen their capacities relating to target-focused implementation of WASH facilities, integrating project designed toilets their regular job-responsibilities.</p> <p>The Project formulates an appropriate and a well-defined policy, emphasizing need-based strategic directions to increases the non-credit members' access to the HSL & HWL facilities and to introduce the incentive mechanism to partners organizations for each toilet construction.</p>	<p>digital reporting system for PKSF has been completed.</p>
<p>Component 5: COVID-19 emergency response</p>	<p>Currently, 60 hand washing stations are being constructed while 795 have already been completed. The overall physical progress of Hand Washing Stations with Running Water Systems is approximately 90.14%</p>	<p>All sites have been screened for potential environment and social issues.</p>	<p>Out of 12 packages, construction is going on under 11 packages while 1 package is being re-tendered.</p>

Project Implementation Monitoring Report (#7)

Reporting Period From 2024/01 To 2024/06

Component 6: Contingent emergency response	N/A	N/A	N/A
---	-----	-----	-----

Financial Management:

The audit reports for FY2022-23 have been completed and shared with AIIB with some delays. In case of DPHE, the auditor has raised questionable expenditures amounting BDT 70,578,746 for Loss of Government money due to awarding the contract of the second lowest bidder instead of 1st lowest responsive bidder. The client has been requested to furnish explanation for this questionable expenditure. The prior year outstanding observations totaled to BDT 2,337 million, which needed DPHE to resolve at the earliest.

6. Status of the Grievance Redress Mechanism (GRM)

The project established Grievance Redress Mechanism (GRM) at the central, district, Upazilas, and union levels to receive and evaluate concerns and complaints related to the project's environmental and social performance. Both DPHE and PKSF have Project Management Unit (PMU) staff to receive and address grievances. The escalation matrix to the Project Director/Project Coordinator also exists. As of January 2024, 792 Grievance Redress Committees (GRCs) had been formed at the union level (81%), 81 at the Upazilas level (82%), and 30 at the district level (100%). There is a regular coordination and meetings between the PMU and Upazila level GRC to review and resolve the grievances. Issues and concerns related to grievances is included in the regular agenda in the Upazila Coordination Committee (UCC) meetings that also includes reports related to incident and/or accident.

To date, 5 formal complaints were submitted to the GRC and have been successfully solved under the DPHE executed part. During this reporting period, 3 grievances were recorded and resolved by PKSF. The grievances raised related to household boundary, unsettled family land and land ownership.

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

Result achievement is behind schedule as the overall project implementation progress is behind schedule. Detailed status could be found in the table below.

Result Framework and monitoring indicator wise progress up to December 2023.

Remarks:

The current delay was due to the construction difficulty during the rainy season (June-October). A more rapid implementation progress is expected after the rainy season.

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	50,000	0	100,000	316	300,000	33,022	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	523,300	2,000,000	1,326,463	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	0	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	0	1,000,000,000	188,446,758	3,000,000,000	999,382,958	7,000,000,000	1,174,810,053.00	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	309,600	300,000	417,289	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	43.61%	80	47.39%	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	0	70	0	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	20	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	0	10	0	10	2025	10	Quarterly	DPHE	

# of LEs trained on 'safely-managed' WASH infrastructure	Project	Number	2020	0	0	0	0	0	100	890	500	2175	1,000	2,785	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	2	0	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	4122	18,600		2026	14,718	Quarterly	DPHE	