

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:	Asma Bachikh		
Responsible DG:	Rajat Misra		
Responsible Department:	PSC1		
Project Team Members:	Bernardita Saez, Alternate Counsel; Yogesh Malla, SFD - Financial Management Specialist; Frances Larla Savella, SFD - Procurement Specialist; Jose Maria Marella, Project Counsel; Victoria Pimkina, Team Member; Asma Bachikh, Team Member; Victoriano Macasaquit, SFD - Environment & Social Development Specialist; Asma Bachikh, Back-up PTL; Xianzhuo 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.		

	Nov, 2024
	AIIB and World Bank team conducted an implementation support mission from Nov 3-6, 2024
Planned Site Visits by AIIB:	May, 2025 AIIB and the WB are planning a review mission along with site visits in May, 2025.
Current Red Flags Assigned:	0
Current Monitoring Regime:	Regular Monitoring
Previous Red Flags Assigned:	0
Previous Red Flags Assigned Date:	2024/06

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:	113.48	Latest disbursement (amount/date):	
Undisbursed:	86.52	Disbursement Ratio	56.74

		(%) ¹ :	
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5. Project Implementation Update

Implementation update for DPHE executed part: Implementation of awarded packages had 32 contracts are completed, 83 contracts have been signed and are under execution, 5 are under procurement process and 4 are pending implementation.

- For the large-piped water schemes, the tenders for all the 54 schemes under 22 packages have now been awarded, and implementation of 48 schemes is underway.
- For Small-piped water schemes: Of the total 3,278 schemes (including 358 under Response to Covid-19), contracts for 3,261 schemes have been awarded. A total of 859 schemes have been commissioned and are providing water to 135,722 beneficiaries
- (PKSF and DPHE) Construction of twin-pit latrines for the households identified as the extreme poor has been completed for 28,398 households serving 127,791 of the targeted 993,933 extreme poor beneficiaries. A total of 289,303 loans have been provided for the installation of sanitation and hygiene facilities.

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. As of September 2024, 71,015 water points in households against an overall target of 120,000 (59 percent) have been installed and a total of 289,303 Household Sanitation Loans had been disbursed. The project progress had suffered heavily due to the suspension of operations during the period July- September 2024 due to political turmoil and large-scale flooding across the country. Despite this, the progress towards the PDO has been encouraging with advancement in all components. At the current pace, full household piped water connections are unlikely to be completed within the remaining implementation period ending October 31, 2025. Overall project progress is behind schedule, particularly for the large-piped water supply component. DPHE is developing an action plan to complete all activities by December 2025, except for the large-piped water supply, which will remain unfinished by the closing date. To address this, DPHE plans to submit an extension request through ERD. Progress toward the Project Development Objective (PDO) and the agreed actions from the last mission will be reassessed during the upcoming review mission in May 2025, when completion ratings will be updated and potential extensions discussed if necessary.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Investments in water supply	DPHE: Physical construction works are going on under the small-piped water supply scheme A total of 859 schemes	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).	Large-piped water supply: The tenders for all the 54 schemes under 22 packages have now been awarded. Small-piped water supply: Of the total 3,278 schemes

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>have been commissioned and are providing water to 135,722 beneficiaries. For large-piped water supply component, implementation undergoing in 48 schemes out of 54. Feasibility study for climate-risk hotspots in coastal areas: As of December the draft report has been submitted for two (Pirojpur and Bagerhat) of 13 coastal districts.</p> <p>PKSF:</p> <p>71,015 water points in households against an overall target of 120,000 (59 percent) have been installed through MFI loans amounting to US\$20 million.</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>	<p>(including 358 under Response to Covid-19), contracts for 3,261 schemes have been awarded</p>
<p>Component 2: Investments in sanitation and hygiene</p>	<p>DPHE: Of the 352 public toilets, 298 public toilets are complete which have been completed and handed over to the relevant committee. Construction is underway for 30 public toilets. Out of 500 new sanitation and hygiene facilities in community health clinics, 374 have been constructed and 84 are ongoing. Renovation of 552 of 780 sanitation and hygiene facilities in community health clinics has been completed and renovation of 168</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>During the period, 93% lid of the pits of the verified & eligible toilets had been sealed properly in order to stop spreading of diseases, 78% verified & eligible toilets have had water & soap facility, 97% of the verified & eligible toilets did have only water facility, 93% verified &</p>	<p>All 30 packages have been tendered and the construction works have been completed in 17 and ongoing under the remaining packages.</p>

	<p>facilities is ongoing.</p> <p>PKSF:</p> <p>a total of 289,303 loans have been provided for the installation of sanitation and hygiene facilities amounting to US\$76.11 million. A total of 166 LEs have been selected in 8 districts</p> <p>Both DPHE and PKSF are engaged in Behavior Change Campaign (BCC) campaigns to raise awareness and demand creation. BCC materials have been developed. As of September 2024, a total of 878,952 participants attended at the 50,159 BCC sessions</p>	<p>eligible toilets had found clean & odor free. Conducted site visit to 36 toilets and collected data on some specific issues of social aspects which reflected that labor and working conditions violations occurred during construction of 02 toilets, no incident of sexual harassment had been recorded, 31 toilets were constructed near to house within 36 and all 36 toilets were constructed in a safe distance from nearby HHs. Women involvement and Participation.</p> <p>During this reporting period 132,019 packets of sanitary napkin had been sold by female LE. In addition to 156 LE who had received training by TA in 2023, a group of 150 female in new Upazilas received training on Sanitary Napkin business by PMU under PKSF. Among them 30% was found to be less active due to family issues, low profit in marketing and time management in providing door-to-door service.</p> <p>A total of 70,578 BCC Session with 13,66,768 participants had been conducted in 182 Upazilas by 88 PO staffs in the reporting quarter to generate awareness in the people for hygiene promotion and created demand of toilet construction.</p> <p>PKSF has undertaken a robust effort to train and build the capacity of 2,906 Local Entrepreneurs (LEs), including 352 women on water, sanitation, and hygiene.</p>	
Component 3: Institutional strengthening	Information Management & Visualization System (DPHE,PKSF): The software development for Information Management & Visualization System	N/A	The tender for consulting firm for capacity building and institutional strengthening has been completed and has been onboarded.

	<p>under the project is currently underway.</p> <p>The software development for Information Management & Visualization System under the Project is complete. Both mobile and web applications are operational at present.</p> <p>Capacity Building DPHE: Orientation and training materials on awareness generation have been developed for WATSAN Committees, Union Parishad, and Local Entrepreneurs, and BCC firms have organized orientation workshops for 78 WATSAN committees, 562 union level training and 29 LE training workshops.</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. Conducted 28 orientation sessions for Upazila WatSan Committees, and 313 sessions for Union Parishad, focusing on Twin-pit Latrine identification and implementation. 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</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 digital reporting system for PKSF has been completed.</p>

		<p>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. 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>	
Component 5: COVID-19 emergency response	Out of 882 handwashing station under the COVID-19 emergency response component, 825 are already completed and handed over to the relevant committee.	All sites have been screened for potential environment and social issues.	Out of 12 packages, construction is going on under 11 packages while 1 package is being re-tendered.
Component 6: Contingent emergency response	N/A	N/A	N/A

Financial Management:

In case of DPHE component, the auditors have been raising questionable/ineligible expenditures in past years. We have yet to receive any updates or resolutions on these issues. The project audit reports for FY2023/24 for both components remain outstanding, as do the internal audit reports. PT has been actively following up with the World Bank (WB). In April

2025, audit reports for both components were received from WB, along with their comment letter addressed to the clients. Specifically, for DPHE, WB identified questionable expenditures totaling approximately BDT 2.18 million and noted internal control deficiencies. The prior period's questionable expenditures are still under review, and the client has been requested to provide a detailed broad sheet outlining the current status of their resolution.

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. A total of 795 Grievance Redress Committees (GRCs) had been formed at the union level, 85 at the Upazilas level, and 30 at the district level. 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.

From July 2024 to December 2024, a total of 07 grievances were received and all of those were resolved in the project area only 1 unresolved. The grievances were related to land boundary issues, prediction of smell and low-quality materials used by Local Entrepreneur (LE). The primary challenge is achieving consensus on the land location and division, with the final decision resting with the responsible government agency.

Complaints received through CSO's included family land disputes over toilet locations currently under Village court review; toilets positioned near roads causing odors, which have been addressed and resolved; toilets encroaching on neighbors' boundaries, resolved; and problems with wooden materials being damaged by insects, design flaws, and partial collapses during construction, all of which were rectified and resolved. The CSO's provided support in resolving the issues together with the Client.

7. Results Monitoring

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.

Project Objective:Project Objectives are to: (i) improve access to 'safely-managed' water supply and sanitation in selected areas of rural Bangladesh; and (ii)strengthen sector institutional capacity for water and sanitation.

Project Objective Indicators

Monitoring end year : 2025

Indicator Name	Unit of Measure	Baseline	Actual (Previous)	Actual (Current)	Current Target	End Target
The number of people provided with access to 'safely-managed' water services (gender	Number	0	316	33,022	300,000	589,680

disaggregated indicator).						
The number of people provided with access to 'safely-managed' sanitation services (gender disaggregated indicator).	Number	0	523300	1,326,463	2,000,000	3,618,900
# of Upazilas that established and are using the monitoring system.	NUmber	0	0	0	78	78

Comments:

Intermediate Result Indicators

Monitoring end year : 2026

Indicator Name	Unit of Measure	Baseline	Actual (Previous)	Actual (Current)	Current Target	End Target
Amount of MFI financing mobilized (in BDT)	Number	0	999,382,958	1,174,810,053.00	7,000,000,000	12,190,000,000
The number of handwashing stations built with running water and soap available	Number	0	309,600	417,289	300,000	763,000
% of water quality tests that meet national standards	Percentage	0	43.61%	47.39%	80	80
% of households paying their water tariffs on time (i.e. collection efficiency rate)	Percentage	0	0	0	70	80
% of community water management committees whose chair is woman	Percentage	0	30%	20	30	30
% of piped water schemes using solar photovoltaic (PV) as their main energy	Percentage	0	0	0	10	10

source						
# of LEs trained on 'safely-managed' WASH infrastructure	Number	0	2175	2,785	1,000	2,340.00
The number of policy documents under the National Strategy for Water Supply and Sanitation adopted or endorsed	Number	0	2	0	2	4
# of public officials at the local level (Upazilas, UPs, health workers) trained	Number	0		4122	10,000	14,718

Comments:

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.