

Project Implementation Monitoring Report (#8)

Reporting Period From 2023/07 To 2024/04

Bangladesh : Bangladesh Municipal Water Supply and Sanitation Project

1. Project Information

Project ID:	P000068	Instrument ID:	L0068A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Water	Sub-sector:	Water supply, sanitation, and wastewater treatment
Instrument type:	<input checked="" type="checkbox"/> Loan:87.00 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:	Jana Halida Uno		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Liu Yang, Project Counsel; Guoping Yu, OSD - Procurement Specialist; Rui Xiang, OSD - Financial Management Specialist; Victoriano Macasaquit, OSD - Social Development Specialist; David Rollinson, OSD - Environment Specialist; Ronald Muana, Team Member; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Oct, 2020 a mission was organized by IDA Bangladesh country office from October 11-15. AIIB was not invited but received the Aide Memoire. Apr, 2021 a virtual joint implementation support mission with the World bank was conducted in April 2021. Oct, 2021 Visit by a virtual joint implementation support mission with the World Bank May, 2022 Implementation support mission with GoB and WB. AIIB's social development specialist and AIIB's field-based consultant attended the mission in Bangladesh on behalf of AIIB. Dec, 2022 Physical mission Jul, 2023 Implementation Support mission with WB and GoB. Joined by AIIB field-based consultant. Mar, 2024 Virtual mission		
Planned Site Visits by AIIB:	Jul, 2024 Site Visits		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags Assigned:	0		
Previous Red Flags Assigned Date:	2023/06		

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2. Project Summary and Objectives

Project Objective is to increase access to improved water supply and sanitation services in selected pourashavas (municipalities) and strengthen the pourashavas' institutional capacities for delivering water and sanitation services. The project is to improve: (i) waters supply and sanitation systems to improve living conditions of about 600,000 people, and at least 150,000 people respectively in selected 30 municipalities; and (ii) water services and management skills of implementing agencies' staff, e.g. DPHE, and other public and private sector agencies".

3. Key Dates

Approval:	Jul. 11, 2019	Signing:	Dec. 11, 2019
Effective:	Mar. 05, 2020	Restructured (if any):	
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	13.00
Disbursed:	49.43	Latest disbursement (amount/date):	4.87/Dec. 20, 2023
Undisbursed:	37.57	Disbursement Ratio (%) ¹ :	56.82

5. Project Implementation Update

The project component of Sector Support and Capacity Strengthening has made some progress, including the implementation of WSS accounting software and progress on billing and payment interfaces; the adoption of municipal WSS bylaws and tariff fixation; and the formal establishment of the Municipal Support Circle (MSC). However, overall development in piped water supply and sanitation has been modest. The mission confirmed that project activities and agreed targets for the Investment for Water Supply Infrastructure and Improving Sanitation and Drainage components are unlikely to be achieved within the remaining implementation period. At this time, there is a risk of slippage in the construction of some piped water schemes and sanitation installations (including improved household toilets and integrated waste management facilities) that have not progressed as per the agreed work plan and may require up to 12 months beyond the current closing date to complete. The delays in completion of piped water supply systems and household toilets since the previous site visit, pose a risk to the achievement of the project objective on access to improved water supply and sanitation services. The mission assessed that based on the current rate of progress, at least 10 municipalities will be unable to commission their water supply service systems by original project closing. Sanitation systems (household

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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toilets, public toilets, desludging and treatment systems) are likely to be in place in many municipalities but not witness a period of reasonable operational practice by the closing date. Hence, while the project will achieve its objective in sector support and capacity strengthening component, it is highly likely to fall short of achieving the target beneficiaries by the current closing date. The performance of the project implementation will be closely monitored by the project team to ensure timely delivery of the agreed actions.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Sector Support and Capacity Strengthening of Department of Public Health Engineering and Pourashavas (USD10.69 million)	<ul style="list-style-type: none"> The DPHE has issued the Office Order creating the Municipal Support Circle (MSC, Oct 2023) within DPHE, and has deputed staff (on additional charge basis) and provided for consultants as needed. DPHE has in discussion with the Local Government Engineering Dept. (LGED) (the current custodian of the municipality WSS accounting software module), finalized the Terms of References for the software support consultancy firm for implementing the internet and mobile-phone billing and payment interface (via Nagad, Bkash, etc.) The WSS by-laws (that form a part thereof) have been formally adopted by 13 municipalities. Along with adoption of the by-laws, the above 13 municipalities have also had their tariffs ratified by the respective municipal councils. 	<ul style="list-style-type: none"> National Communications Consultancy: PMU has sought approval to restructure the package into hiring and mobilizing i) one communications expert; and ii) a firm for community mobilization 	<p>Procurement under Component 1 is progressing well. However, the PMU is requested to take the following actions to speed up the remaining procurement progress:</p> <ul style="list-style-type: none"> The PMOU will Issue IFT for procurement of vendor to implement the mobile-phone billing and payment interface by April 15, 2025. The PMU will complete procurement of firm to implement Communications Plan by April 30, 2024.

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	<ul style="list-style-type: none"> The project holds regular Town-level Coordination Committee (TLCC) meetings, having an identified gender focal point and a gender action plan provided for in budgets, scaling up house service connections, and assisting in promoting sanitation activities. Implementing a SCADA system for the water system in two municipalities, deployment of private operators for water systems, etc in select municipalities. 		
<p>Component 2: Investment for Water Supply Infrastructure (USD54.68 million)</p>	<p>Except three municipalities – Kamalganj, Baralekha, and Akhaura – all municipalities have completed the construction of bulk water production units. The physical progress in these three municipalities is 90.1 percent, 79.8 percent, and 50.8 percent respectively. The target date for completion of these three is June 30, 2024. Distribution network construction has been completed in 15 of the 30 municipalities, while the remaining fifteen are expected to complete construction by June 30, 2024. Six municipalities have commissioned the water supply service while 3 municipalities are conducting a trial run of operations. An additional three – Bagha, Katakhal, and</p>	<ul style="list-style-type: none"> The water quality test-kits have been procured and supplied to the municipalities and hands-on trainings were conducted for testing various water quality parameters. The PMU agreed to increase efforts to engage the Water Superintendents in performing water quality testing at regular basis. Vulnerable locations of municipalities have been assessed and fire hydrants have been installed in the water supply networks of two municipalities. 	<ul style="list-style-type: none"> All the Works contracts have been awarded and under implementation. It is expected that the Works contracts will be completed by 2024. <p>In spite of the progress, the following actions shall be taken by the PMU to accelerate the progress of the activities below:</p> <ul style="list-style-type: none"> Complete bulk infrastructure in remaining 3 municipalities by October 31, 2024; Complete distribution network construction in remaining 15 municipalities; and <ul style="list-style-type: none"> (i) 11 municipalities by June 30, 2024; and (ii) 4 municipalities by October 31, 2024. Complete household connection installation in 6 additional municipalities June 30, 2024.

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	<p>Panchbibi – are preparing to commence the trial run. While some municipalities have installed or are close to installing the targeted house connections, installation of house connection has been slow in most municipalities which has delayed the fulfillment conditions for commissioning of piped water supply, and hence shortened the period of operation of the water supply system during the project.</p>		
<p>Component 3: Improving Sanitation and Drainage (USD30.67 million)</p>	<p>Household Toilets: More than 23,000 toilets have been listed and approved for construction, of which 7,000 toilets have been completed, the balance being in various stages of construction.</p> <p>Fecal Sludge Management (FSM): At present, the integrated Waste Management Facilities (fecal sludge and solid waste) are being constructed in 8 municipalities. These contract packages include construction of 3 public toilet units in each municipality. In another 22 municipalities, the project has proposed the construction of simplified treatment systems (planted drying beds), and each contract package also has three public toilets. These contracts are under procurement at present and are expected to be completed by</p>	<ul style="list-style-type: none"> •The required land for 14 (fourteen) Fecal Sludge Treatment Plants (FSTP) (8 integrated waste management facilities and 6 fecal sludge management plants) has been obtained. • More than 23,000 toilets have been listed and approved for construction, of which 7,000 toilets completed • The critical drainage work has been completed in 11 municipalities and 8 in-progress. • Compensated 143 HHs in 16 Municipalities for the drainage network laying wiith loss of boundary walls, temporary closure of shops resulting in income loss, loss of trees, etc. • All grievances and complaints must be lodged with the Grievance Redress Committees. 	<ul style="list-style-type: none"> •The contract implementation of works packages for construction of public toilets, FSTPs, drains is comparatively slow and some drainage works need rebidding. <p>The PMU is urged to take the following actions to accelerate the project progress:</p> <ul style="list-style-type: none"> •Complete the evaluation of all the works contracts by March 31, 2024. •Complete construction of additional 4,000 improved household toilets (for a total of 11,000 toilets) by Jul 31, 2024 -Finalize 4 FSTP O&M contracts for emptying by June 30, 2024. -Finalize additional 3 O&M contracts for emptying (cumulative total 7 contracts) by December 31, 2024. •Service contracts for containment emptying and operation of simplified fecal sludge treatment systems: <ul style="list-style-type: none"> (i) are issued in at least 8 municipalities by July 31, 2024. (ii) are issued in 22

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	<p>September 30, 2024 subject to availability of required land for the simplified treatment systems.</p> <p>The Project has procured vacutugs, fecal sludge emptying trucks, and occupational health and safety (OHS) gear and placed these in each of the 30 municipalities.</p> <p>Public Toilets: The construction of public toilets is being delayed as these are a part of the FSTP contracts. The PMU was urged to initiate early steps for the appointment of operators for these public toilets as soon as these are completed. Nine municipalities had expressed their willingness to engage Self-Help Groups (SHG) in management of public toilets. Following the model contracts prepared, the PMU shall ensure that municipalities draw up proper management arrangements for the public toilets. It was agreed that the PMU will ensure that at least four municipalities formally engage Women's SHGs in the operations management of Public Toilets (at least one of the three blocks).</p> <p>Drainage: Drainage work has been completed in 11 municipalities and is under progress in another 8 municipalities (35-95% physical progress), with</p>		<p>municipalities September 30, 2024.</p> <ul style="list-style-type: none"> •Complete procurement of simplified treatment systems in 22 municipalities by April 30, 2024. •Complete drainage works in 6 additional municipalities by August 31, 2024. •Complete procurement of retendered (13) drainage packages by June 30, 2024.
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	<p>completion targeted for June 30, 2024. However, in the balance 11 municipalities, there was very poor progress attributable to non-revision of rates and apathy of contractors, and hence these 11 packages have been re-tendered. These packages are projected to be completed by September 30, 2024.</p>		
<p>Component 4: Project Implementation and Management Support (USD3.96 million)</p>	<p>The Institutional Performance Assessments (including Citizens Report Card surveys) have been conducted i.e. the baseline and two rounds of assessments based on which awards were released to municipalities. The Mission agreed with the PMU that since the time available for municipalities to utilize rewards is less than 12 months now, the proposed third round of performance assessment needs to be cancelled. In November 2024, the PMU will conduct an endline assessment of the project using these resources and also modify the ToRs to include the measurement of specific result areas and impacts. The proposal for the TSU contract modification was reviewed by the World Bank and provided with No Objection and is expected to be approved by March 15, 2024.</p> <p>The Technical Evaluation draft report</p>	<ul style="list-style-type: none"> •Gender Action Plan (GAP) was reviewed, and the GAP monitoring report was updated. •Twenty-eight (28) municipalities received disaster management training and as a result of the training, 28 gender sensitive contingency plans were developed by the municipalities. •TSU organized training for labors on Code of Conduct (CoC) in all municipalities to ensure safe workplace. •Ten (10) Focused Group Discussion (FGD) meetings were organized in 3 municipalities to increase women’s participation in project activities. •The PMU will submit a Social Management Plan (SMP) that would compile the information and analysis from/relevant to the extensive consultation, training and awareness raising that the PMU has continuously conducted; the screening process; establishment of cut-off dates, inventory of losses, system/process for making compensation payments or reconstruction (with an organogram), including the Grievance Redress Mechanism (GRM) (with roles and responsibilities), gender/Gender-based Violence (GBV) considerations, amongst others by August 25, 2023. •The PMU needs to improve the critical environmental and Occupational Health and Safety (OHS) issues during the project implementation and follow good environmental management 	<ul style="list-style-type: none"> •The Technical Evaluation draft report for the feasibility study for additional municipalities is complete and a revised version is being reviewed. This contract is expected to be awarded by May 30, 2024. •Completion of TSU contract modification/extension by April 15, 2024.

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	<p>for the feasibility study for additional municipalities is complete and a revised version has been reviewed by the Bank. This contract is expected to be awarded by April 2024. The contract will go beyond the project closing. The DPHE is expected to adequately manage this contract in order to keep the timeline for delivery without any slippage. The DPHE shall assess carefully how many of the municipal feasibility studies can be comfortably covered within remaining project period and work with the selected consulting firm to have this scope delivered by the project closing and pay for it under this project.</p> <p>The project monitoring and data-backed reporting have improved since last review mission in July 2023. The DPHE has adopted a uniform progress reporting format with the provision of web-based real time implementation tracking.</p>	<p>practices.</p> <ul style="list-style-type: none"> •The PMU is requested to hire and mobilize individual environmental consultant to enhance Environmental Safeguards management capacity of the project. 	
<p>Component 5: Contingent Emergency Response (USD0 million, n/a)</p>	<p>N/A</p>		<p>N/A</p>

Financial Management:

The PMU has submitted quarterly IUFRRs on time. The latest external audit for FY The bank has received the 2022–23 submission on time. The next audit report for FY 2023–24 will be due on December 31, 2024. The issued audit report confirms that PMU has identified three significant audit issues. The PMU will complete the appropriate actions to resolve the issues by June 30, 2024. The PMU will submit the final internal audit on the operations of the municipality by May 2024.

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6. Status of the Grievance Redress Mechanism (GRM)

Since the implementation, a total of twenty-six (26) grievances received by the Projects and grievances were resolved before March 31, 2024, Among the 19 complains were related to damaged walls of some houses and shops during drainage construction work and 6 grievances were miscellaneous.

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

Some indicators are delayed in achieving its annual target due to the COVID19 pandemic disruptions. An intermediate indicator is progressing to reflect procurement and physical progress. Target values are set-up for achievement at project closure.

Remarks:

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments	
			Baseline		2018		2019		2020		2021		2022		2023		2024		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual
People provided with access to improved water sources	Project	Number	2018	0												600,000		2024	600,000		Annual			
People provided with access to improved water -Female	Project	Number	2018	0												300,000		2024	300,000		Annual			
People provided with access to improved sanitation services	Project	Number	2018	600,000												680,000		2024	680,000		Annual			
People provided with access to improved sanitation services - Female	Project	Number	2018	300,000												340,000		2024	340,000		Annual			
Number of municipalities scoring 50% and above in Performance Assessment Scorecard	Project	Number	2018	0												30		2024	30		Annual			
Number of municipalities with operational water supply systems	Project	Number	2018	0												30		2024	30		Annual			

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																		Frequency	Responsibility	Comments	
			Baseline		2018		2019		2020		2021		2022		2023		2024		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual

Participating municipalities with at least 80% cost recovery on operations and maintenance	Project	Number	2018	0												24		2024	24		Annual		
Number of municipalities maintaining separate WSS bank accounts	Project	Number	2018	0												30		2024	30		Annual		
Number of municipalities supplying at least 11 hours per day of water to customers	Project	Number	2018	0												20		2024	20		Annual		
Number of municipalities supplying water of quality in compliance with Bangladesh standards	Project	Number	2018	0												30		2024	30		Annual		
Number of municipalities with developed and approved sanitation action plans	Project	Number	2018	0												30		2024	30		Annual		
Number of municipalities with at least 50% improved toilets	Project	Number	2018	0												25		2024	25		Annual		
Number of municipalities with Public Toilets being operated by Private Operators/SHGs	Project	Number	2018	0												30		2024	30		Annual		
Number of municipalities with operational service contracts for emptying	Project	Number	2018	0												15		2024	15		Annual		
Number of municipalities that implement drainage improvements to manage storm water and wastewater	Project	Number	2018	0												30		2024	30		Annual		

Number of municipalities maintaining Grievance Redressal Mechanism (GRM)	Project	Number	2018	0												30		2024	30		Annual		
Number of municipalities maintaining at least 30% attendance level of female members in Town Level Coordination Committees	Project	Number	2018	0												30		2024	30		Annual		
Percentage of beneficiaries expressing satisfaction over service provision (gender disaggregated)	Project	Percentage	2018	0												55		2024	55		Annual		
Number of municipalities that have public toilets managed by women run Self-Help Groups	Project	Number	2018	0												10		2024	10		Annual		
Number of municipalities with women employed in various roles in Water and Sanitation service delivery	Project	Number	2018	0												9	11	2024	9		Annual		