



# Bangladesh: Dhaka Environmentally Sustainable Water Supply Project – Additional Financing

Project Name	Dhaka Environmentally Sustainable Water Supply Project – Additional Financing	
Project Number	42173-016	
Country	Bangladesh	
Project Status	Proposed	
Project Type / Modality of Assistance	Grant Loan	
Source of Funding / Amount	Grant: Dhaka Environmentally Sustainable Water Supply Project Additional Financing	
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 5.00 million
	Loan: Dhaka Environmentally Sustainable Water Supply Project - Additional Financing	
	Ordinary capital resources	US\$ 90.20 million
	Ordinary capital resources	US\$ 90.20 million
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 50.00 million
	concessional ordinary capital resources lending / Asian Development Fund	US\$ 50.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Partnerships	
Sector / Subsector	Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban water supply	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The proposed additional financing will finance cost overruns experienced in the ongoing project and additional scope (tertiary distribution network) to further ensure achievement of project outcome.</p> <p>The proposed additional financing will cover the remaining works of Package 1, and most of the works of Packages 2 and 3.1 which are scheduled to be awarded by the end of 2020. For Package 2, the contract price (ADB fund) is likely to be around \$58.8 million, an increase by around 6% from the cost estimate at the appraisal of the ongoing project, which is within a generally acceptable range. For Package 3.1, the technical bid evaluation report is currently under ADB's review. Large cost increase is not anticipated in this package because the bids were based on detailed design and the nature of works are relatively simple. Government has proposed an additional scope, Package 3.2, with estimated cost of \$39.3 million. Issuance of invitation for bid of Package 3.2 is targeted in late September 2020, with contract award targeted in June 2021. Again, large cost increase is not anticipated for this package due to the same reasons as mentioned earlier for Package 3.1. The impact, outcomes, and outputs of the overall project will remain the same as the ongoing project, except for (i) additional indicator for Output 1 for Package 3.2, and (iii) additional Output 4 for the ADF grant.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>The population in Dhaka was around 19.6 million in 2018. It is expected to increase to 28.1 million in 2030, leading to increasing demand for water supply service. Also, average annual ground water depletion in Dhaka in the next 10-12 years is projected to be around 5 meters due to rapid ground water extraction. To address the high dependency on ground water resources, DWASA strategically aims to increase the ratio of surface water resource from current 22% to 70% by end 2021. The overall project is a pivotal investment in DWASA's strategic direction by developing a new surface water supply scheme with Meghna River as water source, which has good water quality and ample quantity even during the dry season. The overall project will also help mitigate the effects of COVID-19 pandemic or other epidemic/pandemic in the future through securing reliable water supply service.</p>	
Impact	<p>Ongoing project Improved access to and quality of sustainable water supply services in Dhaka Overall project Unchanged</p>	
Outcome	<p>Ongoing Project More reliable and improved security of water supply in Dhaka</p>	
Outputs	<p>New surface water supply system developed Distribution network strengthened (in Zone 6) Project management and administration adequately supported Water supply and sanitation facilities improved and legal empowerment of women and vulnerable groups promoted in low-income communities</p>	
Geographical Location	Dhaka	
<b>Safeguard Categories</b>		
Environment	B	
Involuntary Resettlement	A	
Indigenous Peoples	C	
<b>Summary of Environmental and Social Aspects</b>		
Environmental Aspects		

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Responsible ADB Officer	Tada, Momoko
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	Dhaka Water Supply and Sewerage Authority 98 Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka

#### Timetable

Concept Clearance	13 Nov 2020
Fact Finding	24 Nov 2020 to 02 Dec 2020
MRM	15 Feb 2021
Approval	-
Last Review Mission	-
Last PDS Update	20 Nov 2020

Project Page <https://www.adb.org/projects/42173-016/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=42173-016>

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