



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 19-Mar-2020 | Report No: PIDC28553

**BASIC INFORMATION****A. Basic Project Data**

| | | | |
|--|--|--|---|
| Country Bangladesh | Project ID P173022 | Parent Project ID (if any) | Project Name Dhaka North Neighborhood Upgrading Project (P173022) |
| Region SOUTH ASIA | Estimated Appraisal Date Dec 07, 2020 | Estimated Board Date May 18, 2021 | Practice Area (Lead) Urban, Resilience and Land |
| Financing Instrument Investment Project Financing | Borrower(s) Economic Relations Division, Ministry of Finance | Implementing Agency Dhaka North City Corporation | |

Proposed Development Objective(s)

To enhance public space and improve urban services in selected neighborhoods in Dhaka.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

| | |
|---------------------------|--------|
| Total Project Cost | 106.00 |
| Total Financing | 106.00 |
| of which IBRD/IDA | 100.00 |
| Financing Gap | 0.00 |

DETAILS**World Bank Group Financing**

| | |
|---|--------|
| International Development Association (IDA) | 100.00 |
| IDA Credit | 100.00 |

Non-World Bank Group Financing

| | |
|---------------------|------|
| Counterpart Funding | 6.00 |
| Borrower/Recipient | 6.00 |



Environmental and Social Risk Classification

Substantial

Concept Review Decision

Track II-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

Bangladesh is one of the most densely populated countries in the world with a population of more than 160 million. It has experienced rapid economic growth in the past decade as it reached lower middle-income status in 2014 and has a per capita income of US\$1,698 (2018). Since 2016, per capita GDP growth averaged 6 percent per year, well above the developing country average. Social and human development has accompanied economic growth and the country has achieved considerable success in reducing extreme poverty since its independence in 1971. The country has made impressive strides in meeting the Millennium Development Goals (MDGs) compared to other South Asian countries, with respect to reducing headcount poverty and the poverty gap ratio, increasing enrolment at primary schools, lowering the infant mortality rate and maternal mortality ratio, improving immunization coverage and reducing the incidence of communicable diseases.

Notwithstanding these achievements, widespread poverty, limited employment opportunities, and socio-economic inequalities are still among Bangladesh's most significant development challenges. Bangladesh is still one of the poorest countries in South Asia, with constrained public services and comparatively weak public institutions. Bangladesh needs stronger effort in making growth more inclusive and sustainable to meet its target of eliminating poverty by 2030 and attaining the upper middle-income status by 2031. For accelerating private sector-led growth with improved investment climate, the key challenges are the need for increased infrastructure and power, with much improved quality in spending public resources, better regulations and enhanced skills of its vast and rapidly increasing labor force.

Sectoral and Institutional Context

The Dhaka Metropolitan Area (DMA) is the economic and political center of Bangladesh, with the central Dhaka consists of two city corporations, Dhaka North City Corporation (DNCC) and Dhaka South City Corporation (DSCC). Dhaka's role as the country's economic hub has led to rapid population growth, driven by migration. Population of the Dhaka Metropolitan Area increased ten-fold in just over 40 years, from 1.7 million in 1974 to an estimated 18 million in 2015, now accounting for over one-third of the country's total urban population. Net migration into the Dhaka metro area is estimated to be more than 3 million persons in the decade 2001-11, accounting for more than half of all rural-to-urban migration in the country. This rapid growth has seen Dhaka ascend to the rank of the eleventh largest city in the world. By 2030, it is expected to become



the fifth largest city – with population reaching 27 million.¹ With 440 persons per hectare, Dhaka is one of the most densely populated cities in the world, with higher density than Mumbai (310) and Karachi (270).²

The Dhaka Metropolitan Area has been the engine of both urbanization and economic growth in Bangladesh over the last 40 years and is the country's economic and political heart. More than one-third of Bangladesh's GDP is generated in Dhaka, and the emergence of an urban agglomeration around the city leads to growth and job creation. The city accounts for almost one-third of total employment in the country,³ 40 percent of national formal sector employment in non-agriculture sector and 60 percent of employment in the country's main export industry – garments and textiles manufacturing.⁴

Dhaka is one of the least livable cities in the world, ranked 137 out of 140 cities,⁵ the lowest for any South Asian city surveyed. Poor environmental performance of the country's development, coupled with increasing climate risks (e.g. floods, cyclones), reduces livability, affects negatively vocational health of its growing work force and more generally public health, and thus poses a serious threat to the country's development achievements. Dhaka's green space per capita was limited to 4.8 square meters in 2017⁶. The proportion of street area to the total built-up areas is only 6.5 percent, and total green areas in Dhaka have declined by 4.4 percent between 2006 and 2017⁷. Severe traffic congestion is a well-known problem, where average vehicular traffic speed is 6.4 kmph, slightly above the speed of walking. 74 percent of Dhaka's public spaces are within 400m of where people live. Public spaces are often poorly managed due to inadequate operations and maintenance arrangements and asset management systems in place. Many of the waterfronts are not accessible and filled with trash, while they are informally being used by people as public spaces⁸. Only about 60 percent of municipal solid waste is collected, and little is disposed of in a sanitary manner. The city is also highly prone to urban and river flooding on a regular basis. These factors directly contribute to very low livability in Dhaka, especially for vulnerable and excluded groups such as the poor, women, elderly and pedestrians, among others.

The proposed Dhaka North Neighborhood Upgrading Project (DNNUP) responds to the Dhaka North City Corporation's demand and is consistent with the findings and consultations under the MDTP. Like the DCNUP, the project will strengthen long-term operations and maintenance of public spaces to make them more inclusive and accessible. The project will also demonstrate a relatively low-cost, public space enhancements through a collaborative and consultative process with local stakeholders.⁹ In addition, DNCC requested the Bank to support improvements to selected citizen services (e.g. local tax collection and trade licensing, etc.), and lay the

¹ Based on metropolitan area populations. Source: United Nations, World Urbanization Prospects: The 2014 Revision.

² Source: United Nations, World Urbanization Prospects: The 2014 Revision.

³ Source: Dhaka Structure Plan 2016-35, RAJUK

⁴ Refers to national formal sector employment. Data from 2005. Source: World Bank (2017), "Dhaka Megacity: Development Issues, Plans and Prospects with particular reference to East Dhaka", mimeo.

⁵ Ranking by Economist Intelligence Unit (2017)

⁶ Kaw, J.K., Lee, H. and Sameh Wahba (eds) 2020. *The Hidden Wealth of Cities: Creating, Financing and Managing Public Spaces* Washington DC: The World Bank

⁷ ibid

⁸ ibid

⁹ According to international practice, public spaces are classified into three main categories: (i) roads, streets and sidewalks; (ii) public open spaces like parks, waterfronts, playgrounds, plazas, squares, green areas etc.; and (iii) public buildings such as markets, bus and ferry terminals, community centers, libraries etc.



foundation for better city management through integrating use of digital technology.

Relationship to CPF

The proposed project is consistent with the WBG's Country Partnership Framework (2016-20) Objective 1.3: Improved delivery of basic services in urban areas. It will have a direct impact on improving livability in the country's primary and capital city. It will also contribute, albeit to a lesser extent, to Objective 1.2: Improved transport connectivity; and Objective 3.1: Increased resilience of population to natural disasters in urban and coastal areas.

The proposed project will also support the WBG's twin goals of reducing extreme poverty and increasing shared prosperity. It will contribute to local economic and social development by improving accessibility to jobs and markets, better utilization of urban spaces by businesses and citizens, and access to administrative services, with special attention to vulnerable groups and poorer neighborhoods. It will also directly contribute to Sustainable Development Goal 11, "Making cities inclusive, safe, resilient and sustainable," through Target 7 to provide universal access to safe, inclusive, and accessible green and public spaces, particularly for women and children, older persons, and persons with disabilities.

Impact on the poor: Poor livability in Dhaka disproportionately impacts the poor. They are impacted more by inadequate provision of municipal infrastructure¹⁰ (e.g. sanitation, piped water) and services (e.g. transport, public amenities), and face income constraints to switch to private services. Lack of public, open and green spaces for leisure and civic activity also affect the poor disproportionately and substantially reduces their quality of life in the city. Thus, investments to improve the quality of public spaces (streets, parks and open spaces and public buildings) in Dhaka city will benefit lower income groups directly as they are expected to be the primary users of these spaces.

C. Proposed Development Objective(s)

To enhance public space and improve urban services in selected neighborhoods in Dhaka.

Key Results (From PCN)

The PDO-level outcome indicators are proposed to be the following:

1. Percentage increase in the number of people accessing enhanced public spaces
2. Number of people provided with improved urban living conditions (of which % female)
3. Percentage increase in tax collection by DNCC

¹⁰ The recently concluded Bangladesh WASH poverty diagnostic highlighted that poor sanitation services and the ensuing environmental pollution affected the poor the most.



D. Concept Description

PROJECT CONTEXT

A. Concept

The proposed project may include three components as discussed below. These components and activities will be further refined during project preparation. Among others, gender issues, potential climate impact of project investment will be examined, and related monitoring and evaluation arrangements will be developed during project preparation.

Component 1: Upgrading public spaces in selected neighborhoods

This component will support integrated public space improvements clustered within a local area (neighborhood or collection of Wards, etc.). Public spaces refer to publicly-available urban spaces for citizens, including: **(i)** roads, streets and sidewalks; **(ii)** public open spaces like parks, waterfronts, playgrounds, plazas, squares, green areas, etc.; and **(iii)** public buildings such as markets, bus and ferry terminals, community centers, libraries, etc.

Clustering infrastructure improvements within a local area (i.e., neighborhood/collection of wards, etc.) provides for an integrated and more efficient approach by upgrading various components in the same area such as drainage, lighting, sidewalks, parks, etc. Improvements to local areas in an integrated manner results in a synergistic or network effect which is greater than the sum of its parts. For example, a network of improved and connected streets and public spaces is more meaningful than singular improved streets or interventions scattered across the city. This will also result in better visibility for the improvements.

Component 2: Enhancing Citizen Services Delivery and City Management

This component will improve citizen service delivery and urban management capabilities of DNCC by introducing digital technology. It will be built on the recommendations of previous technical assistance to the city corporation provided by the Bank on smart cities, as well as ongoing support under the Bank's Bangladesh Urban Resilience Project (P149493). The component will include, but not be limited to **(i)** making citizen service delivery more convenient through E-Government solutions; **(ii)** improving efficiency for tax collection and management systems; **(iii)** improving operation and maintenance by introducing a utility management system (e.g., roads, drainage and other utilities and maintenance of capital investments), and **(iv)** improving monitoring and evaluation system through crowd source data platform (e.g., traffic management, public space safety, crime hotspots, neighborhood level clean-up and solid waste collection, etc.).

Component 3: Capacity building and support for project implementation

This component will finance services that will enhance the use of public spaces and improve the maintenance of selected neighborhoods by DNCC. Activities under this component will include support for developing, operationalizing and using detailed Operations & Maintenance (O&M) plans and asset management strategies



for the newly-improved areas in the selected neighborhoods; development of public information systems at the City Corporations for improved access to information for citizens; support for sustainability of Component 1 investments; and institutional strengthening support for capacity building and coordination, awareness building on keeping city clean. It will finance technical assistance and advisory services to the project implementation unit (PIU), including project management and coordination costs associated with project implementation; consultancy services for feasibility, conceptual, and detailed designs, safeguards instruments for sub-projects, and the preparation of follow-on operations; and consultancy services for the preparation of required studies. The component will provide support to DNCC to facilitate training for staff to improve the function and operation of internal systems, including human resources, IT and other administrative functions. This component will further support North-South city partnership program for capacity building of DNCC through knowledge exchange and a horizontal learning program with peer cities.

| Legal Operational Policies | Triggered? |
|---|------------|
| Projects on International Waterways OP 7.50 | No |
| Projects in Disputed Areas OP 7.60 | No |

Summary of Screening of Environmental and Social Risks and Impacts

Not ready yet.

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APPROVAL

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