



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 15-Mar-2018 | Report No: PIDISDSC21197

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

Country Bangladesh	Project ID P161227	Parent Project ID (if any)	Project Name Bangladesh Municipal Water Supply and Sanitation Project (P161227)
Region SOUTH ASIA	Estimated Appraisal Date Sep 25, 2018	Estimated Board Date Oct 30, 2018	Practice Area (Lead) Water
Financing Instrument Investment Project Financing	Borrower(s) People's Republic of Bangladesh	Implementing Agency Department of Public Health Engineering	

Proposed Development Objective(s)

The project development objective (PDO) is to increase access to improved water supply and sanitation services in selected municipalities, and strengthen the municipalities' institutional capacities for delivering water and sanitation services.

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

Total Project Cost	210.00
Total Financing	210.00
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	10.00
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Borrowing Agency	10.00
Other Sources	100.00
Asian Infrastructure Investment Bank	100.00

Environmental Assessment Category

B - Partial Assessment

Concept Review Decision

Track II-The review did authorize the preparation to continue

Note to Task Teams: End of system generated content, document is editable from here.

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Bangladesh's economy has experienced rapid growth and development in the last decade. This has led Bangladesh to become a low middle income country (LMIC) in 2014 and per capita income continued to increase in 2016 to US\$1,384. Bangladesh, with an estimated population of 153 million in 2012, is one of the most densely populated countries in the world. The population projections reveal that the rural population is expected to stabilize after 2015 and its growth rate would decrease after 2025. On the other hand, the urban population is expected to increase sharply, mostly due to high migration from the rural to the urban areas as well as the urbanization of rural areas. The total population of the country in 2015, 2020 and 2025, is projected to be 162 million, 172 million and 183 million, respectively. By the year 2035, urban and rural population will have the same size of population of about 100 million each. The country has made impressive strides in meeting the Millennium Development Goal (MDG) with respect to reducing poverty and poverty gap ratio and increasing access to water supply and sanitation, lowering the infant mortality rate and reducing the incidence of communicable diseases. Notwithstanding these impressive achievements, the development challenges remain formidable for Bangladesh.

2. Despite being confronted with significant challenges, Bangladesh is now a story of resilience. Between 2000 and 2010, Bangladesh encountered solid GDP growth of about 6 percent per year on average and also saw steady decline in its national poverty rates, with an average of 1.7 percent reductions per year. According to the latest data from the 2010 Household Income Expenditure Survey (HIES), Bangladesh has a national poverty headcount rate of 31.5 percent and an extreme poverty headcount rate of 17.6 percent. Despite population growth, the absolute number of poor people decreased dramatically by 25 percent, and the depth of poverty was nearly halved from 2000 to 2010, making Bangladesh able to achieve one of the Millennium Development Goal targets on poverty reduction five years ahead of schedule. Bangladesh fared reasonably well on sharing prosperity also. The poorest 40 percent of the population not only saw



positive per capita consumption growth, but this was 0.43 percentage points higher than the annual per capita consumption growth of the total population during 2005-10.

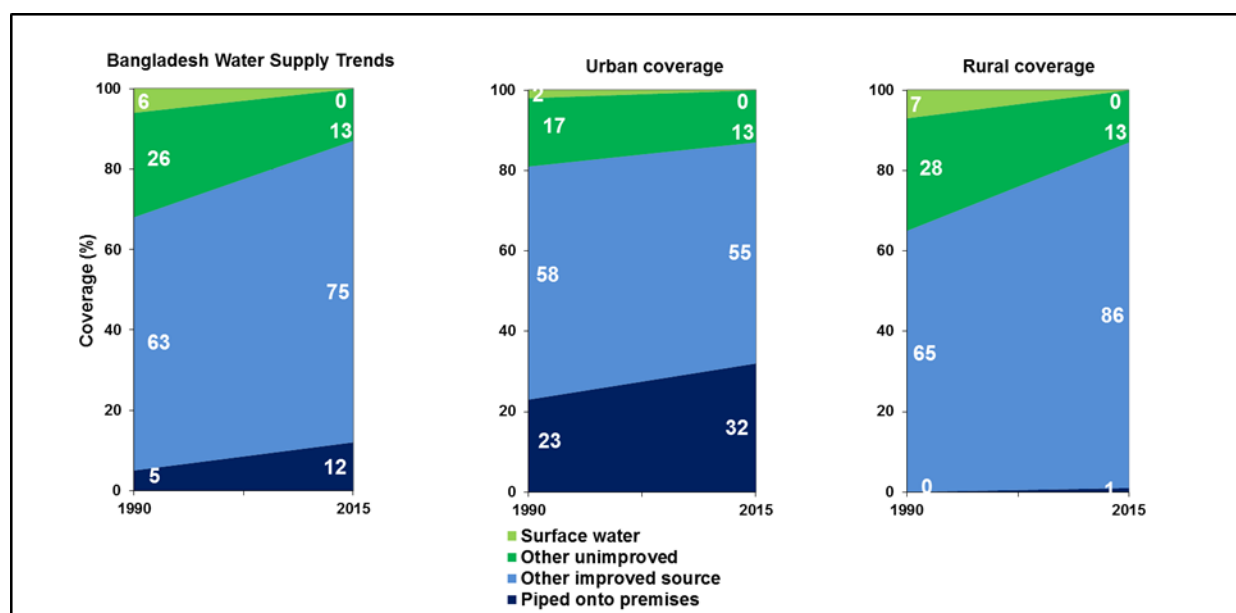
3. Local governments in Bangladesh are a key element of the overall governance landscape. For administrative purposes, Bangladesh is divided into seven divisions. The divisions are subdivided into 64 districts, the districts into 482 upazilas (sub-districts) and the upazilas into 4,498 unions (the lowest tier). In the urban areas, there are two types of local governments: city corporations for metropolitan cities, and paurashavas (municipalities) for the secondary-to-small size towns. There are seven city corporations and 308 pourashavas. 10 large cities account for about 24 million people, more than half of which live in Dhaka alone. Over 200 secondary towns account for about 17 million people. There are 31 large pourashavas with population over one million and the population of small to medium pourashavas ranges from 30,000 to above.

4. The local governments operate in a highly constrained policy and institutional environment. In general they have: inadequate fiscal autonomy and own source revenues; inadequate urban infrastructure services fuelled by rapid urban growth; fragmentation of urban sector responsibilities among numerous central government agencies; limited decision making powers; and weak accountability systems. Most local development decisions are prioritized by deconcentrated national agencies. However, pourashavas provide communities and citizens with opportunities for inclusive participation in civic affairs, and offer substantial opportunities for enhancing government accountability and transparency at the grass root level.

Sectoral and Institutional Context

5. **Bangladesh was able to achieve its MDG target for access to water supply, three years before the end of the MDG era.** Bangladesh fulfilled its commitments to the UN MDG to halve the population without access to improved drinking water sources by ensuring that an additional 65 million people gained access to improved water sources between 1990 and 2015 (JMP, 2015). Consequently access to improved water sources increased remarkably from 68% to 87% between 1990 and 2015. Bangladesh is also committed to fulfilling international commitments, such as achieving the targets of the SDG Goal 6, which aims to ensure availability and sustainable management of water and sanitation for all.

Figure 1



Source: WHO/UNICEF Joint Monitoring Programme (JMP) for WSS (2015)

6. **Rural areas experienced more progress (22 percentage points from 65% to 87%) compared to 6 percentage points (from 81% to 87%) in the urban (Figure 1) within this period.** In line with the Government stipulated standards of access within 150 meter of the furthest household, the 2012-2013 Multiple Indicator Cluster Survey (MICS) 2012-2013 survey indicates that the proximity of drinking water is generally very close with only 3.2% of the population taking more than 30 minutes for a return journey to access their primary source of drinking water. However, since 2000 urban access has been almost stagnant, increasing only 4 percentage points in the past 15 years. Rural areas, in contrast, have experienced a relatively faster rate of coverage, increasing 12 percentage points in the same time period. The stagnant coverage rates in urban areas means that the expansion of water services has only been proportional to urban population growth, and thus, there is no reduction in the proportion of those without access.

7. **Currently, only 10 percent of the population of Bangladesh is served by piped water schemes.** Piped water, for example, offers the most convenience and opportunities for centralized management and water treatment. In rural areas only 2 percent have access to piped water, whereas in urban areas 30% of the population has access to piped water although most of these are concentrated in the cities where Water and Sewerage Authorities (WASAs) exist. **In small towns, out of the total 324 municipalities, piped water supplies exist in 151 municipalities only.** Hand pump tubewells are commonly used in municipalities where there are no piped water supplies. Majority of the tube wells are installed by the people themselves in their premises and *pourashavas* provide some 50 to 100 tube wells in public places. The piped water supply systems in the *pourashavas* cover only a limited population at the core of the town. The coverage varies across *pourashavas* from almost nil to about 60%. The supply hour varies from 2 to 12 hours per day and average water supply is 75 liters per capita per day (lpcd). With an estimated Unaccounted for Water (UfW) of about 40%, the net amount of water available for consumers connected to the piped systems is only around 45 lpcd. On the other hand, the production capacities of many water supply systems are not fully utilized because of limited number of connections and distribution lines.

8. **Although Bangladesh has achieved the MDG target for improved drinking water coverage, bringing the remaining 13% people under safe water coverage can pose serious challenges.** The existing improved water options, though considered safe at the source, whether the water remains safe at the consumer level or whether equitable access



is ensured is questionable. Some of the problems, issues and gaps are summarized below:

- Contamination of groundwater by arsenic, salinity, iron and other chemical contaminants.
- Low or no coverage of piped water supply and house connections in growing urban areas.
- Low coverage and service level in the hard to reach areas comprising 21% of total geographical areas of Bangladesh because of their geo-physical characteristic and frequent occurrence of natural calamity.
- Indiscriminate use of water by various sectors causing pressure on safe water supply security in terms of viability and water quality.
- Unplanned and rapid urbanization is mounting heavy pressure on the already stressed urban infrastructure, including water supply, and is causing serious environmental degradation.
- Bacteriological contamination of water sources.

9. **Bangladesh has made remarkable strides in ending open defecation but could not achieve MDG targets on sanitation.** Bangladesh has nearly eliminated open defecation behavior, contrary to other South Asian countries, but still failed to achieve the MDG sanitation target to increase access to improved household sanitation facilities to 70 percent. More than half of the population have access to shared improved sanitation. From 2006 to 2014, national access to improved sanitation regardless of sharing status increased dramatically from 40 to 70 percent. In urban areas access levels improved from 59 to 84 percent, and doubled in rural areas from 32 to 64 percent. Urban sanitation is largely comprised of on-site sanitation. Sewerage network exists only in about 20 percent areas of the capital city of Dhaka. In a typical secondary town there are only a limited number of septic tanks, 25% to 50% of the population use water seal latrines and the remaining use unhygienic latrines or practice open defecation. *Pourashavas* only provide 2 to 3 public toilets which are leased out to private operators. Manual desludging is common, although limited mechanical desludging facilities are available in a few *pourashavas*. The emptied fecal sludge is often disposed in nearby drains, sewers, or water bodies, primarily due to lack of treatment facilities. Absence of Fecal Sludge Management (FSM) services is causing severe environmental pollution, affecting both public health and economy. Very few *pourashavas* have fecal sludge treatment facilities, many of these lack proper operations and maintenance.

10. **National Water Supply and Sanitation Institutional Framework.** At the national level, the Local Government Division (LGD) of the Ministry of Local Government Rural Development and Cooperatives (MoLGRD&C) is responsible for the overall development of the Water Supply and Sanitation (WSS) sector. The Department of Public Health Engineering (DPHE) and the Water Supply and Sewerage Authorities (WASAs) function under the administrative control of the LGD. The DPHE is responsible for implementation of the WSS projects of the public sector in the rural and the urban areas outside the areas covered by the WASAs. The national-level coordination among the sector stakeholders, such as the government agencies, the NGOs, the Development Partners (DPs) and the private sector is done by the National Forum for Water Supply and Sanitation (NFWSS) established within the LGD. The sector is governed by a set of legal instruments, policies and strategies which are summarized in Box 1. There are a set of five national strategies in the sector, each focusing on specific issue. However, all national level strategies in the WSS sector have been streamlined into a single national strategy named the National Strategy for Water Supply and Sanitation, 2014. The National Strategy gives uniform strategic guideline to the sector stakeholders for achieving sector targets. Nevertheless, there is no formal regulation of the sector in terms of service standards and tariff control thus requiring the separation of implementation from regulation and monitoring a prime necessity.



11. **Local Governments (LGs) are now entrusted with WSS responsibilities under the Local Government (Amendment) Act, 2010.** In secondary towns, municipalities are responsible for providing WSS services including operations and maintenance, however, DPHE provides technical assistance in planning and construction through government/donor financed development project. The LGs usually carry out small extensions of the piped system, and provide tube wells and other water points, and sanitation units, particularly for the low income communities. NGOs support CBOs in low income communities to establish and operate water points connected to piped water systems. They also provide tube wells, community latrines and pit latrines for the low income communities.

Box 1

Policies, Strategies and Plan – Water Supply and Sanitation

- Bangladesh Water Act, 2013, which are to coordinate, develop, manage, extract, distribute, use, protect and preserve water resource. It assigns high priority to drinking water supply.
- Local Government (Amendment) Act, 2010 for *pourashavas* and City Corporations, which describe the functions and responsibilities of the Local Government Institutions in WSS, amongst others.
- Water Supply and Sewerage Act 1996, which describes the roles and responsibilities of WASAs.
- Environmental Conservation Act 1995 and Environmental Conservation Rules 1997, which set the standards of water quality.
- National Policy for Safe Water Supply and Sanitation (NPSWSS), 1998, the Policy aims to bring about changes in the traditional service delivery arrangement, to increase the capacity of the sector and participation of communities.
- National Policy for Arsenic Mitigation and Implementation Plan (NAMIP), 2004 which is specifically formulated to address the arsenic problem.

12. **Improving the efficiency and sustainability of urban water utilities and clarifying the role of local actors are key institutional questions.** Historically the WSS development in the urban areas in Bangladesh took place on an ad hoc basis – mostly according to finances available in development projects. In most cases the water supply system begins to deteriorate only after two to three years of its construction. Insufficient attention is given to the operation and maintenance of infrastructure resulting in a fiscally inefficient cycle of build-neglect-rebuild. The staffing and skills of the municipal staff are not adequate for proper operation and maintenance of the systems. Cost recovery is poor. Besides, municipal capacity building initiatives are very limited. Improving the efficiency and sustainability of urban water utilities and clarifying / increasing the role of local actors (communities, local government and suppliers/operators accountable to local players) are critical.

13. **Pourashavas have weak financial capacity.** The *pourashavas*, as a local government tier, rely heavily on budgetary support from the government for routine expenditure; capital expenditure is financed by government through the budget and through projects of various development partners. Although *pourashavas* have managed the operations and maintenance, local government funding of maintenance continues to lag behind depreciation not to mention the required expansion of coverage to keep pace with population growth. Even though municipalities find proceeds from water supply as one of their major source of locally derived general local government revenue, WSS units are not completely ring-fenced within the local government structure, resulting in diversion of proceeds for other priority sectors. As the number of *pourashavas* with piped water supply increases, WSS sector roles such as standardization, post



construction support and sector oversight become relevant.

Relationship to CPF

14. The proposed project is fully aligned with the World Bank Group's Country Partnership Framework (CPF) (FY16-20) for Bangladesh as well as the Bank's twin goals to end extreme poverty and boost shared prosperity. The CPF focuses on three areas: growth, social inclusion, climate and environmental management. Besides, the CPF focus area on Accelerate Growth concentrates on removing barriers to growth by strengthening service delivery in local government among others. The CPF prioritizes several drivers of growth such as improving the investment climate, enhancing the efficiency of the financial sector and improving urban governance through the provision of affordable basic infrastructures and services. The CPF emphasizes and supports institutional capacity development programs to improve quality of services. It has identified that weak institutional capacity in water supply and sewerage authorities have resulted in inadequate and uneven quality of services. Poor infrastructure and institutions for water and sanitation services, along with increased demand, have also hindered Government efforts to deliver reliable services. There is also an increased support for reforms to strengthen governance and financial sustainability. The CPF also notes that "supporting government efforts to strengthen governance systems will be critical to building a strong policy dialogue to enhance Bangladesh's competitiveness" and identifies governance reform as a long-term agenda that demands sustained effort.

15. The proposed project will contribute to the CPF pillars of Growth and Social Inclusion. It will support the objectives of improved delivery of basic services in urban areas. The proposed project is thus aligned with the Bank's development agenda regarding improvement of municipal governance and basic urban services. Since 1999, the Bank has supported basic urban services development and capacity building of Urban Local Bodies (ULBs) through the Municipal Services Project (MSP) that closed in June 2012. MSP helped to enhance the capacity and effective management of ULBs through support for financing critical basic urban services, improvement of own-source revenue generation, and enhancement of urban planning, procurement and financial management. As the follow-on project to the MSP, the ongoing Municipal Governance and Services Project (MGSP) aims to address weak governance and municipal management, insufficient planning, under-investment in basic infrastructure services, and operations and maintenance deficiencies. The project is also consistent with the findings of the Bank's Bangladesh WASH Poverty Diagnostic (BWPD) study that is focused on WASH service delivery inequities of the poor and the challenges of WASH service delivery with respect to the role of public policy.

16. The proposed investment operation will build on the success of the Bank's on-going engagement in supporting local governments, water supply and sanitation service delivery in urban and rural areas and aims to improve local government service delivery through enhanced performance in governance and accountability, supported by technical assistance and capacity building efforts.

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

17. The project development objective (PDO) is *to increase access to safe water supply and sanitation services in selected municipalities (Pourashavas), and strengthen the municipalities' institutional capacities for delivering improved*



WSS services.

Key Results (From PCN)

18. The proposed PDO results indicators for the project are listed as follows:

- People provided with access to improved water supply through piped water connections (number), of which female (percentage);
- People provided with access to hygienic sanitation facilities (number);
- *Pourashava* Water Supply Entities with improved performance (number);
- *Pourashavas* adopted the interactive M&E system for reporting and informing decision making (number);
- Direct project beneficiaries (number), of which female (percentage).

D. Concept Description

19. The project will support the Government of Bangladesh (GoB) to establish a new institutional set-up for WSS provision in *pourashavas* (municipal towns) and provide infrastructure investments for water supply and sanitation services in these towns. The project finances a combination of support to strengthen institutions, set-up operational systems and processes, and infrastructure investments in water supply and sanitation assets. The proposed project's emphasis is on improving service delivery and sustainability in addition to ensuring access. It thus helps the central government to expand its focus from financing linked exclusively to providing basic access to a broader approach in line with SDG-6 to ensure availability and sustainable management of water and sanitation for all. Given their importance, establishment of the new institutional set-up and investments in infrastructure will proceed in parallel. Capacity building will be an integral part of Bank support.

20. The proposed project will develop and implement appropriate service delivery approaches in municipal towns with a minimum population size from 30,000 inhabitants i.e. primarily targeting Class A and B type secondary towns. The project will provide financial support to 30 pre-selected *pourashavas* which currently have no piped water supply but do have economic growth potential, strong commitment for improvement, and which have requisite staff, revenue generation track record and water source availability. Preselection of *pourashavas* will be carried out before appraisal using a set of well-defined and transparent selection criteria.

21. The project promotes decentralization of institutional responsibilities, such as, contract management, tariff setting, operation and maintenance to ensure and support the governance structure and mandates of municipalities. The project will support *pourashavas* to become modern service providers. A new financially and operationally ring-fenced WSS department will be set up within the *pourashavas*. Support to be provisioned for *pourashavas* with existing water facilities that demonstrate improvements in water and sanitation services and governance, focusing on financial sustainability. Key project components are summarized below.

22. The project would also support for strengthening central government's policy, regulation, and M&E (including sector oversight) capacities for ensuring local government WSS service delivery in Bangladesh. So far DPHE has been a technical organization building assets, providing technical backstopping for asset maintenance and providing training to *pourashava* staff. To take on the additional roles as a sector coordinator for WSS in Bangladesh, a range of capacities need to be built. Issues such as standardization (for tariff setting and revision, service standards, pro-poor policy etc.),



post construction support and sector oversight will be clarified through technical assistance support to the government.

23. Project design for BMWSSP will be based on lessons learned from other Bank operations and government and donor programs within the urban sector in Bangladesh. In order to support decentralization of service, municipalities will be given the responsibility to plan and implement WSS subprojects with significant technical support and handholding from the DPHE under this proposed project. The project will also aim to introduce simple and easily measurable performance progress tracking to incentivize improved institutional performance of DPHE and *pourashavas*. This is to ensure that municipalities have an incentive to improve water governance, institutional norm, financial management, revenue generation, and operations and maintenance. Basic institutional set-up, incremental progress in planning and infrastructure development milestones, post-construction service sustainability and expansion and customer orientation will come under a performance progress measurement process where performance indicators will be agreed during the preparation stage.

Component 1: Policy Advisory Support and Technical Assistance (US\$ 20 million)

24. This component will provide technical assistance and capacity building to the municipalities and to the central government (especially MLGD&C and DPHE). The objectives of the policy advisory and technical assistance will be a) to support *pourashavas* to establish ring fenced WSS departments capable of delivering services using the new infrastructure; and b) developing DPHE as a sector institution that supports in policy, provides backstopping to *pourashavas* and performs sector wide roles. Within the project period, the following priorities will be focused on:

- Technical assistance to *pourashavas*
 - Support in ring fencing and tariff setting procedures.
 - Implementing key WS systems: (i) customer database; (ii) accounting, billing and collection, asset and maintenance management; (iii) complaint redressal; (iv) network management and leak detection. This will be based on a common framework/software to be developed by DPHE for all *pourashavas*.
 - MIS as well as performance monitoring and reporting; business planning.
 - Capacity development of *pourashavas* for WSS services, and water governance improvements.
 - Water safety and water quality surveillance (including self-supply customers).
- Technical assistance to Government & DPHE
 - Developing sector wide monitoring and evaluation systems; water quality surveillance and water safety plan.
 - Procedures and organization structure to support *pourashavas* in maintenance, IT, GIS and leak detection.
 - Standardized policies for tariff setting and revision guidelines, customer charter including service standards, connection and disconnection policy, pro-poor policy etc. This will build on the work done by government's Policy Support Unit (PSU).

Component 2: Investment for Water Supply Infrastructure (US\$ 135 million)

25. This component will support investments in water supply infrastructure development in selected municipalities. Investments will include construction of new water treatment plants, intake for raw water source, and expansion of distribution networks. This component will support the development and implementation of appropriate service delivery approaches based on willingness and capacities of the *pourashavas*. Along with investment in infrastructure, a portion of the funds may be assigned as incentives to *pourashavas* that demonstrate good performance in WSS service delivery. Following global best practices and experience, the service delivery models and incentive mechanisms will be finalized by appraisal. In addition, to incentivize improved performance and governance in other municipalities that have limited existing piped water supply coverage, project support for the expansion of the system will be also considered. A separate



feasibility study will be required to that respect which will be provisioned during initial period of project implementation.

Component 3: Improving Sanitation and Septage Management (US\$ 30 million)

26. This component will support the provision of facilities and services for the safe management and disposal of fecal sludge. Investments will be defined during project preparation in line with the municipalities' Master Plan and feasibility studies in selected towns to demonstrate the sanitation service chain and business model. The *pourashavas* will initiate inclusive fecal sludge management (FSM) planning (user interface → containment → emptying → transport → treatment → disposal) and implementation modality with the support of DPHE and in consultation with experienced NGOs, community groups and the private sector. The activities will include (i) strengthen the capacity of stakeholders involved in sanitation service delivery to design sustainable sanitation solutions, (ii) awareness campaign among the citizens to renovate/ construction septic tank / twin pit off set toilets to improve containment, (iii) engagement of private sector for septic tank /pit emptying and transportation, (iv) construction of small scale fecal sludge treatment plant, (v) introduce sanitation tariff, and (vi) performance monitoring, operations and maintenance.

Component 4: Project Implementation and Management Support (US\$ 15 million)

27. This component would support project management activities and strengthen the capacity of the DPHE to coordinate and execute project activities at the central, regional (district) and municipal levels, including complying with Bank fiduciary procedures and safeguards. It will also contribute to the acquisition of equipment and the project team's operating costs, as well as: (i) finance selected individual consultants, training, and consulting firms to ensure efficient project implementation by the implementing agency; (ii) finance the carrying out of audits of project internal processes; (iii) support sound environmental and social management of the project, including gender focus, the preparation of safeguard documents and their monitoring, as well as financing of compensation, if required; and (iv) support project communications and citizens engagement. This component will also focus on inclusive approaches and ensure that gender aspects and social inclusion are covered in all stages of project cycle. Citizen participation and feedback systems, such as use of citizens' report card and grievance redress systems will be designed and implemented

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

BMWSSP will include 30 pourashavas that will be selected by using criteria like commercial importance, population size – desirably more than 30,000. Additionally, selection of specific pourashavas will utilize criteria that have implications for existing environmental and social conditions and the potential impacts that the project could cause on peoples. As such the exact location of the 30 pourashavas will remain unknown until they are actually selected. But it is generally assumed that location of these pourashavas could be all over the country.

Presently, the piped water supply systems in the pourashavas cover only a limited population, the coverage varies across pourashavas from almost none to about 60%. Also, absence of Fecal Sludge Management (FSM) services is causing severe environmental pollution, affecting both public health and the local economies. The emptied fecal sludge is often disposed in nearby drains, sewers, or water bodies. Given the present situation, it is assumed that the project activities are not expected to cause any long term or irreversible environmental impact. However, there is a risk of polluting drinking water, surface water, or groundwater due to the discharge of sludge and untreated sewage into the land, rivers



or canals if not properly managed. For environmental management, a framework approach will be adopted, since the pipeline network, size and extent of the water supply sub-projects as well as the communities to be served by improved sanitation facilities are not fully identified or finalized by the project appraisal stage.

Social safeguard issues are likely to vary from one pourashava to another, depending on geographical locations, existing water supply and sanitation facilities and, more importantly, availability of lands under ownership of the 30 pourashavas which would be eventually included in the project. Other than causing temporary inconvenience to the residents, social safeguard issues may or may not arise where pourashavas would build networks of underground water supply pipelines that are expected to follow the existing road networks. However, building facilities for treatment of raw water and fecal sludge may require small amounts of private lands, where the pourashavas do not have lands under their ownership. Since the pourashavas are yet to be selected and feasibilities studied, the project will use a framework approach.

B. Borrower's Institutional Capacity for Safeguard Policies

DPHE will be the nodal agency for implementation of the project, while at the local level the project will be implemented by the participating pourashavas. DPHE has prior experience in implementing IDA funded projects. Although no safeguards issues were reported in those projects, but lacks professional staff to oversee the proper compliance of the environmental and social safeguards requirements. Presently, there is one Assistant Engineer and 2 to 3 Sub-assistant Engineers in each pourashava, who are responsible for operation, maintenance and safeguards of the water supply and sanitation facilities. But capacity constraints remain in the fields to monitor the development programs at grassroots level. In this regard, project-based field staff will supplement the existing DPHE set up in the field to execute and monitor the proposed program. A project specific PMU at the central level and district specific DPMUs will be set up with key staffing including the safeguards staff for providing implementation and coordination support to the pourashavas. Also, DPHE shall keep the provision of short and long-term training courses for their concerned officials as well as pourashava staff on environmental management for the institutional capacity building.

C. Environmental and Social Safeguards Specialists on the Team

Sabah Moyeen, Social Safeguards Specialist

Iqbal Ahmed, Environmental Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The proposed project aims to enhance and strengthen the water supply network and sanitation system in the different municipalities to improve the health and living standard. The Project is classified as Environmental Category B in accordance with OP 4.01 due to the nature and scale of the planned civil works and assessed impacts. The Project does not envisage any significant or irreversible environmental/social impact. Key environmental management issue would be the contamination of water and, discharge of sludge and untreated sewage if not properly designed



		as well as the construction related impact on air, noise and water if management plan not followed. However, the expected environmental and social impacts can be mitigated through implementation of appropriate environmental code of practice and environmental management plan, social management plans. The environmental screening/assessment with environmental management plan (EMP) for each subproject (based on exact routes and locations of the pipe network) will be carried out. Also, the Environmental, Health, and Safety (EHS) Guidelines of the World Bank Group is applicable to the Project. EMF and SMF both will be prepared prior to appraisal. The SMF shall fully incorporate and analyze the potential social issues envisaged by the project including labor influx and gender. However, only the local labor will be involved in the construction work.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	As a precautionary approach, it is triggered though it is highly unlikely that any natural habitat formed largely by native plant and animal species will be affected or modified due to the Project activities.
Forests OP/BP 4.36	No	The Project is not expected to have any impacts on the management, protection, or utilization of natural forests or plantations. As such, the policy has not been triggered.
Pest Management OP 4.09	No	The Project is not expected to finance any synthetic chemical pesticides activities and the policy has not been triggered.
Physical Cultural Resources OP/BP 4.11	Yes	The policy is triggered, although it is very unlikely that water supply network may impact the physical cultural resources. Chance finds may be encountered in the EMP and special precautions will need to be taken to avoid damaging cultural heritage sites and property.
Indigenous Peoples OP/BP 4.10	Yes	It is not known at this stage whether the project will include Pourashavas that are inhabited by the Indigenous Peoples (IPs). The 3 districts of the Chittagong Hill Tracts are heavily populated by IPs. There are also several districts in the plains which have IPs in small proportions, who live in settlements among the mainstream people. Whether or not, or how the IPs would be affected anywhere will remain largely unknown until the 30 Pourashavas are selected. Considering the situation, DPHE will prepare a standalone Indigenous Peoples Planning Framework



		(IPPF) as per provisions of the Bank's OP/BP 4.10 for the project as a whole. This will provide the basis to prepare IPPs as and when the subprojects are found to affect IPs in manners that threaten their culture and traditional way of life.
Involuntary Resettlement OP/BP 4.12	Yes	Applicability of OP 4.12 on Involuntary Resettlement will depend on geographical locations, existing water supply and sanitation facilities and, more importantly, availability of lands under ownership of the selected Pourashavas. Other than causing temporary inconvenience to the residents, social safeguard issues may or may not arise where Pourashavas would build networks of underground water supply pipelines that are expected to follow the existing road networks. However, building facilities for treatment of raw water and fecal sludge may require small amounts of private lands which are likely to be outside the land area that will have the water supply networks. Since the Pourashavas are yet to be selected and feasibilities studied, the project will use a framework approach. DPHE will prepare a Social Management Framework (SMF) and a standalone Resettlement Policy Framework (RPF) in accordance with the Bank's OP/BP 4.12 on Involuntary Resettlement. This will provide the basis to prepare and implement impact mitigation plans (RPs/ARPs) as and when needs arise to use private lands.
Safety of Dams OP/BP 4.37	No	The Project will not finance any dams, nor do project activities depend on any existing dams.
Projects on International Waterways OP/BP 7.50	No	The Project activities will not take place along international waterways which are shared with Riparian countries.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas in the Project area of influence.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Nov 16, 2017

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The safeguard instruments will be ready and disclosed by DPHE by appraisal.



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Web: <http://www.worldbank.org/projects>

APPROVAL

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Note to Task Teams: End of system generated content, document is editable from here.