Project Summary Information (PSI)

Project No: 000068

Project Name	Bangladesh Municipal Water Supply and Sanitation Project
Country	The People's Republic of Bangladesh
Sector Subsector	Water Water Supply and Sanitation
Project No.	000068
Borrower	The People's Republic of Bangladesh
Implementation Agencies	Department of Public Health Engineering
Environmental and Social Category	Category B
Date of Concept Decision	Approved on March 15, 2018
Estimated Date of Board Consideration	December 2018
Date of PSI prepared or updated	April 13, 2018

I. Introduction

At present, the overall access to water supply in Bangladesh is 87%. About 68% of urban households and 94% of rural households are dependent on tube wells for water. Privately installed tube wells are typically shallow equipped with hand pumps. In addition, about one million public tube wells have been provided mainly by the Department of Public Health Engineering (DPHE) under the Ministry of Local Government, Rural Development & Co-operatives. Union Parishads (in rural areas) also provide a few public tube wells, whereas pourashavas (municipalities in urban areas) provide about 50 to 100 tube wells in public places.

Piped water, mostly from groundwater based schemes, serves about 10 percent of the population of Bangladesh (30% in urban areas and 2% in rural areas). Less than 50% of the 329 pourashavas (only151 of them) have piped water systems covering only the core areas of towns. The supply hours vary from 2 to 12 hours per day, and the average water supplied is estimated to about 75 liters per capita per day (lpcd). In view of poor management of water supply systems, there are numerous issues being faced by people of pourashavas. For example, there is a partial utilization of production capacities due to limited coverage of distribution networks, inefficient operation and maintenance (O&M) management due to lack of skilled staff, and issues with levying and collecting tariffs due to system inefficiencies.

Despite high coverage of water supply, poor water quality poses a major challenge. An estimated 75 million people (47 percent) are drinking water that is either contaminated with arsenic, E. coli, or both. Thus, access to clean water is limited to only 53 percent of Bangladesh's households. Waterborne diseases are widespread, which fuel rapid transmission of gastrointestinal pathogens that can have disastrous impact on health and nutrition.

Sanitation in urban areas comprises mainly on-site systems. Only 20 percent of Dhaka, has a sewer network. In a typical Pourashava, a small proportion of households have septic or holding tanks, 25 to 50 percent of households use water-seal latrines emptying into pits, while the remaining households use unhygienic latrines or practice open defecation. Manual de-sludging of tanks and pits is common, and the fecal sludge is emptied into open fields, drains and nearby water bodies, leading to considerable public health and environmental hazards.

At the national level, the statutory responsibility for the WSS sector is vested in the Ministry of Local Government, Rural Development and Cooperatives (MoLGRD&C), which shares the tasks of policy decisions, sectoral allocation and funding, project appraisals, approval, evaluation and monitoring, along with the Ministry of Planning and the Ministry of Finance. The Local Government Division (LGD) within the MoLGRD&C is responsible for the overall development of the water supply and sanitation (WSS) sector, as well as for local government institutions in urban areas.

Despite the Government's strong commitment to improving WSS with both internal and external financing, and its increased focus on inter-agencies coordination at the national and local levels for expeditious achievement of its overall goals, there are still large financial gaps to meet the increasing demand, and several institutional challenges to address. Continued urbanization has been causing stress on the already insufficient existing infrastructure and consequently, the percentage of piped service coverage in urban areas continues to decline, which is mainly due to inadequate investments. By providing sustainable access to WSS to selected small to medium pourashavas, the Project will contribute to the Government's key objectives of improved urban environment and health in Bangladesh. The Project will also help to control water- and excreta-related diseases in selected pourashavas, thus reducing morbidity and mortality rates among children and other vulnerable populations. Improvement in access to water services will also have direct effects in reducing time and opportunity costs, particularly for women and girl children, who typically bear the burden on water collection in Bangladesh.

II. Project Objectives and Expected Results

The project objectives are to increase access of safe WSS services to selected pourashavas, and strengthen the pourashavas' institutional capacities for delivering improved WSS services.

The progress in achieving the project objectives would be measured by (i) improved access to piped water supply and sanitation services; and (ii) institutional performance scorecard which will be developed during appraisal and administered during the project implementation.

III. Project Description

The Project will comprise following four components:

Component 1 – Policy Advisory Support and Capacity Strengthening of DPHE and Pourashavas. This component will strengthening institutional capacity of Pourashavas to effectively manage WSS; and strengthen DPHE's role in undertaking WSS Policy Actions and Operations Improvement.

***Component 2 – Investment for Water Supply Infrastructure*.** This component will support investments in water supply infrastructure development in the project pourashavas. Investments will include construction of intake at raw water source, water treatment plants, treated water storages, and distribution networks.

***Component 3 – Improving Sanitation and Drainage*.** This component focuses on environmental improvement through improving sanitation especially, safe management of fecal sludge; sewage disposal, and drainage system improvement.

Component 4 – Project Management. This component will support key project management activities to enable DPHE coordinate and implement project activities at the national, regional (division/ district) and pourashava levels. It will also contribute to the project team's operating costs, as well as: (i) finance project management consultants to ensure efficient project implementation; (ii) finance the carrying out of project annual audits; and (iii) support project communications and undertake citizens' satisfaction surveys and report cards. This component will also focus on inclusive approaches and ensure that gender aspects and social inclusion are covered in all stages of the project cycle.

IV. Environmental and Social Category

The Bank has decided to use the World Bank's Environmental and Social Safeguard Policies (Safeguard Policies) since (i) these are consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's Environmental and Social Policy and relevant Environmental and Social Standards; and (ii) the monitoring procedures that the World Bank has in place to ascertain compliance with their Safeguard Policies are appropriate for the Project. Under the World Bank's Safeguard Policies, the Project has been assigned Category B.

An Environmental and Social Management Framework (ESMF) is under preparation. Guidance on preparation of sub project specific Environmental and Social Impact Assessments (ESIA) and Environmental and Social Management Plans (ESMP) will be elucidated in the ESMF.

The ESMF will include a Plan for multi-tier Grievance Redress Mechanism (GRM) starting at the local levels. Under the aegis of the World Bank, a Gender Action Plan will be prepared. Following the public consultations, the ESMF/ESMP will be finalized and all documents will be disclosed at the websites of DPHE, World Bank, and AIIB.

V. Estimated Project Cost and Financing Source

Total cost of the Project is estimated to be USD 270 million. A tentative financing plan is shown in Table below.

For Loans/Credits/Others	Amount (USD million)
AIIB Loan	130.0
World Bank Loan	130.0
Government of Bangladesh	10.0
Total	270.0

VI. Implementation

The DPHE is the Implementation Agency for the Project. It will coordinate all project implementation activities through a Project Management Unit (PMU). The PMU will comprise full-time Project Director and personnel with specialization in requisite disciplines (water and sanitary engineering, financial management, information technology, monitoring and evaluation, environment, social development, procurement, hydrogeology, water quality, etc.).

The World Bank Procurement Policy and Procedures will be applied.

The estimated project implementation period (Start Date – End Date) - March 2019- March 2024 (5 years).

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