

SBF Project Implementation Monitoring Report

Bangladesh: Bangladesh Municipal Water Supply and Sanitation Project

1. Project Information

Project ID:	000068	Investment Number:	L0068A
Member:	Bangladesh	Region:	Southern asia
Sector:	Water	Sub-sector:	Sanitation, Water Supply
AIIB Financing Type:	Loan: 100 USD million	Co-financier(s):	International Development Agency (IDA), World Bank Group (LEAD)
E&S category:	B	Borrower:	People's Republic of Bangladesh
Red Flags Assigned:	1	Monitoring Regime:	Regular Monitoring
Implementing Agency:	Department of Public Health Engineering		
Project Team Leader:	Hubert Jenny		
Project Team Members:	Bernadette Ndeda, Procurement Specialist Shonell Robinson, Financial Management Specialist Youyang Liu, Administrative Assistant		
Completed Site Visits by AIIB:	A project implementation support mission was organised by IDA Bangladesh Country Office from October 11 to 15. AIIB was not invited to join the mission but we received the Aide Memoire		
Planned Site Visits by AIIB:	TBA in coordination with IDA		

2. Project Summary and Objectives

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.

3. Key Dates

Approval:	Jul. 11, 2019	Signing:	Dec. 11, 2019
Effective:	Mar. 5, 2020	Restructured (if any):	
Orig. Closing:	Dec. 31, 2024	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

a) Committed:	100	b) Cancellation (if any):	
c) Disbursed:	5.797	d) Most recent disbursement: (amount / date)	1.532, Nov. 30, 2020
e) Undisbursed:	94.203	f) Disbursement Ratio(%) ¹ :	5.8

¹ Disbursement Ratio is defined as the volume (i.e. the dollar amount) of total disbursed amount as a percentage of the net committed volume, i.e., $f = c / (a - b)$

5. Project Implementation Update

The COVID-19 pandemic disrupted project implementation from effectiveness (March 2020) until June 2020, leading to delays in procurement of the key bulk-water works and the technical assistance consultancy packages. Following the relaxation of GOB-imposed restrictions after June 2020, project activities have resumed. IDA conducted a project implementation mission in October 2020 without AIIB, but sent a copy of the Aide Memoire. AIIB conducted TPRM in December 2020 and reported a quick turnaround of project implementation activities particularly significant progress achieved in works implementation following the relaxation of government-imposed restriction due to the pandemic.

Legal Covenants:

(i) Delays with the Semi-annual Project Progress Report due in September 2020;

Action: Follow-up with IDA

(ii) Only one municipality out of 30 set up a ring-fenced Water Supply and Sanitation (WSS) departments with a separate bank account within three months of

Project effectiveness.

Action: Separate bank accounts are expected to be opened in a phased manner corresponding to the advancement of construction works and subsequent commissioning of the schemes in the remaining 29 municipalities.

Implementation of Works. The construction work is progressing in 14 out of 30 municipalities: 10 packages out of 13 (77%) are in different stages of evaluation or awaiting final award.

Action: Outstanding packages expected to be awarded by January 2021.

Technical Assistance. Delay to award the Sanitation Support Consultancy (SSC) to support municipalities to prepare and implement the municipality sanitation plans due to extended procurement processing.

Action: Follow-up with IDA contract award in January 2021.

E&S compliance confirmed: PMU prepared Environmental Management Plan; Resettlement and Social Management Framework and Small Ethnic Community Planning Framework; each construction site is supervised weekly and quarterly E&S reports are submitted ontime.

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)	Implementation partnership agreements signed with 100% of the 30 participating municipalities.	N/A	Contract awarded in October 2020
Component 2: Investment for Water Supply Infrastructure (USD54.68 million)	The construction work for bulk-water production and treatment have started in 14 municipalities under 8 packages. The contractors for the other two packages covering 3 municipalities (Bonpara, Ullahpara, and Royganj) are mobilizing resources to start the work. It is expected that contractors will mobilize resources and start works in the municipalities under the rest three packages as soon as contracts are signed	No issues to report	10 out of 13 packages awarded; 2 under final stage of approval; 1 under evaluation
Component 3: Improving Sanitation and Drainage (USD30.67 million)	Recruitment of Sanitation Support Consultancy initiated as a pre-requisite to starting Goods and Works contracts	No issues to report	Technical Evaluation ongoing for the Sanitation Support Consultancy
Component 4: Project Implementation and Management Support (USD3.96 million)	Key contract awarded (Component 1) and other consulting contracts under bidding evaluation stage	N/A	Key consultancy contract awarded under Component 1. Other consulting contracts under bidding.
Component 5: Contingent Emergency Response (USD0 million, n/a)	Provision	No issues to report	N/A

Financial Management:

DPHE has been submitting quarterly IUFs timely. The external audit has been submitted in December 2020 and cleared by AIIB Financial Management Specialist in January 2021. The total disbursement for the project was US\$5.8 million from AIIB to end of 2020. For 2021, US\$12.5 million is estimated and to date contracts awards are in line with this estimation. A Full-time project accountant was hired and the hiring process for the position of a Junior Accountant is ongoing. The project further agreed to confirm the constitution of the Project Audit Review Committee (PARC) by November 30, 2020 which awaits Ministerial approval. The main role of the committee will include a review of all audit reports and suggesting remedial actions to the Project Director in order to minimize delays in resolving audit observations. The project will continue to use an off-the-shelf accounting software purchased from the proceeds of an earlier project. However, full country system will be adopted once Integrated Budget and Accounting System (iBAS++) becomes ready for use by the development projects.

6. Status of the Grievance Redress Mechanism (GRM)

The DPHE has established a GRM for the entire project and constituted a Grievance Redress Committee (GRC) in each of the selected municipality, with the gender representative memberships specified in the Resettlement and Social Management Framework (RSMF). The GRCs will deal with complaints and grievances about any irregularities in applying the provisions adopted in the RSMF and SECPF, as well as other issues transpiring from the project activities. To ensure

impartiality and transparency, hearings on complaints will remain open to the public. The GRCs will record details of the complaints and the reasons that led to acceptance or rejection of the particular cases. DPHE and the municipalities will keep records of all resolved and unresolved complaints and grievances and make them available for review by the World Bank and AIIB.

7. Results Monitoring

On track: Virtual meeting with the Client and World Bank staff in the country office to update the project implementation schedule and potential impact on disbursement and loan closing date.

Baseline Year: Nov. 27, 2018 End Target Year: Dec. 31, 2024

Project Objective Indicators	Year	Target	Actual	Others, if any
People provided with access to improved water sources (gender disaggregated reporting)	Dec. 31, 2020	500,000	0	
People provided with improved sanitation services (gender disaggregated reporting)	Dec. 31, 2020	750,000	0	
Number of pourashavas scoring 50% and above in Performance Assessment Scorecard	Dec. 31, 2020	30	0	
Number of pourashavas with operational water supply systems	Dec. 31, 2020	30	0	

Intermediate Result Indicators	Year	Target	Actual	Others, if any
Component 1: Sector Support and Capacity Strengthening: Participating Pourashavas with at least 80% cost recovery on operations and maintenance	Dec. 31, 2020	24	0	
Component 2: Investment for Water Supply Infrastructure: Number of Pourashavas supplying at least 11 hours of water to customers	Dec. 31, 2020	20	0	
Component 2: Investment for Water Supply Infrastructure: Number of Pourashavas supply water of quality in compliance with Bangladesh standards	Dec. 31, 2020	30	0	
Component 3: Improving Sanitation and Drainage: Number of Pourashavas with at least 60% improved toilets.	Dec. 31, 2020	25	0	
Component 3: Improving Sanitation and Drainage: Number of Pourashavas with operational service contracts for emptying septic tanks.	Jul. 13, 2020	15	0	
Component 3: Improving Sanitation and Drainage: Number of Pourashavas that implement drainage improvements to manage storm water and waste water.	Dec. 31, 2020	30	0	
Component 4: Project Implementation and Management Support: Percentage of beneficiaries expressing satisfaction over service provision (gender disaggregated)	Jul. 13, 2020	55	0	

Remarks: The project was just declared effective in March 2020 in the mist of COVID-19 pandemic with government confinement measures imposed (lockdown,

work from home, ...) affecting the project with some delays.