

Bangladesh : Dhaka Sanitation Improvement

1. Project Information

Project ID:	P000240	Instrument ID:	L0240A
Member:	Bangladesh	Region:	Southern Asia
Sector:	Water	Sub-sector:	Water supply, sanitation, and wastewater treatment
Instrument type:	<input checked="" type="checkbox"/> Loan:170.00 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	World Bank
ES category:	A	Borrowing Entity:	Ministry of Finance, Bangladesh
Implementing Entity:			
Project Team Leader:	Jana Halida Uno		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Liu Yang, Project Counsel; Guoping Yu, OSD - Procurement Specialist; Shonell Robinson, OSD - Financial Management Specialist; Sheikh Naveed Ahmed, OSD - Social Development Specialist; Gerardo Pio Parco, OSD - Environment Specialist; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Apr, 2021 Virtual implementation support mission with GoB and WB. May, 2022 Implementation support mission with GoB and WB. AIIB's social development specialist attended the mission in Dhaka on behalf of AIIB. Dec, 2022 Physical mission by PTL and combined with virtual meetings by the task team		
Planned Site Visits by AIIB:	May, 2023 Physical mission with GOB and WB		
Current Red Flags Assigned:	2		
Current Monitoring Regime:	Enhanced Monitoring- Level I		
Previous Red Flags Assigned:	2		
Previous Red Flags Assigned Date:	2022/11		

2. Project Summary and Objectives

Project objective is to increase access to safely-managed sanitation services in select areas of Dhaka City and to improve DWASA's efficiency for sanitation service delivery.

The project comprises the implementation of the first phase of the Dhaka Sewerage Master Plan, which was developed during the previous WB supported Dhaka Water Supply and Sanitation Project. The project entails comprehensive investments in sanitation infrastructure combining sewerage systems, wastewater treatment, and pilot measures for improved non-network sanitation. The project is expected to benefit about 1.5 million people, including about 50,000 people in low-income communities.

The project consists of 5 components:

Component 1. Institutional Support for Sanitation Service Delivery (Total cost US\$7.08 million; IDA US\$3.54 million; AIIB US\$3.54 million)

Component 2. Sewerage and Wastewater Treatment (Total cost US\$446.52 million ; IDA US\$154.3 million; AIIB US\$154.3 million; GoB US\$137.92 million)

Component 3. Alternative Sanitation (Total cost US\$8.46 million; IDA US\$4.23 million; AIIB US\$4.23 million)

Component 4. Project Implementation and Management Support (Total cost US\$20.94 million; IDA US\$7.93 million; AIIB US\$7.93 million; GoB US\$5.08 million)

Component 5. Contingent Emergency Response (US\$0)

3. Key Dates

Approval:	Apr. 16, 2020	Signing:	Sep. 01, 2020
Effective:	Feb. 25, 2021	Restructured (if any):	
Orig. Closing:	Jul. 31, 2025	Rev. Closing (if any):	

4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	4.12	Most recent disbursement (amount/date):	2.95/Feb. 08, 2023
Undisbursed:	165.88	Disbursement Ratio (%) ¹ :	2.42

5. Project Implementation Update

The project has made some progress since the last PIMR in December 2022, particularly in procurement. The disbursement rate of the project has increased from 0.7% (USD 1.17 million) in December 2022 to 2.42% (USD 4.12 million) in March 2023. The overall performance of the project would improve because two service contracts on design and supervision, as well as a PMC, were signed by mid February 2022, and the mobilization of the experts is in progress. A full description of the project's progress is provided below:

- Procurement. Four of the seven key contracts, consisting of two work packages and two service contracts, have been signed. By the end of March 2023, a work package for the construction and operation of the Pagla STP for USD 90 million will be signed, contributing a considerable disbursement amount to the project.
- The original component 3 (Alternative Sanitation). DWASA agreed to file a formal request for the cancellation of component 3 on on-site sanitation during the previous mission in November 2022. But, the Ministry of Local Government is still reviewing the request.
- Since the last mission in November 2022, there has been no significant development on the two legal covenants: the tariff structure and the DWASA organogram.

¹ Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Institutional Support for Sanitation Services Delivery (USD7.08 million): Capacity enhancement to strengthen DWASA's capacity to manage sanitation services efficiently and increase citizens' engagement to connect to sanitation systems and technical assistance to support coordination in the sanitation sub-sector.	(i) DWASA organogram: The revised organogram was presented to the DWASA Board for approval. The revised organogram includes a dedicated organizational unit for sanitation and Deputy Managing Director was appointed. He will start his new role when the works begin for wastewater treatment plant and sewerage networks. (ii) Tariff Framework: The tariff framework has been prepared and is under review by DWASA. Further, DWASA has implemented an annual tariff adjustment of 5%.	Capacity of the PMU to carry out ES work will be soon strengthened with the mobilization of ES Experts in the PMC.	NA
Sewerage and Wastewater Treatment (USD446.52 million): Reconstruction of two trunk mains, construction of new secondary and tertiary network as well as construction of a Wastewater Treatment Plant.	No physical progress due to delay of procurement process of works packages under component 2.	The Environmental, Social, Resettlement Management Framework (ESRMF) and the Environmental and Social Impact Assessment (ESIA) need to be revised due to the change in the institutional arrangement from the disclosed ones and then reviewed and re-disclosed by both the World Bank and DWASA. In the current institutional arrangement an Environmental Officer will be assigned from the SECD (DWASA's 'Social, Environmental and Communication Division) on deputation to look after the E&S safeguards compliances of the project. No physical interventions can be implemented on the field before the disclosure of the revised documents.	#WD1- Reconstruction / Expansion and Operation of Pagla STP.: Contract is set to be signed by March 2023. #WD2- Reconstruction of Eastern Trunk Main - Contract was signed on January 12, 2023 #WD3- Reconstruction of Western Trunk Main - Contract was signed on March 02, 2023. #WD5 - Reconstruction/New Construction/Rehabilitation of Sewerage Networks in Zone – A - Bid packages received March 08, 2023 #WD6-Reconstruction/New Construction/Rehabilitation of Sewerage Networks in Zone – B - Bid Proposal packages expected by

			March 23, 2023.
Non-Network Sanitation (USD8.46 million): Testing and demonstration of the feasibility of locally-adapted collection and treatment solutions.	Restructuring of the Project to Remove this Component: DWASA agreed to file a formal request for the cancellation of component 3 on on-site sanitation during the previous mission in November 2022. But, the Ministry of Local Government is still reviewing the request.	The PMU has not yet initiated the preparation of the ESIA of the non-networked site, as the respective component may require modification through project restructuring, for which discussion has not yet been completed. The decision of conducting ESIA will be adjusted as per the project design.	Not yet started
Project Implementation and Management Support (USD20.94 million): Project management support to DWASA in implementing and monitoring all project-related activities.	Individual consultants to support the PMU have been fully recruited and on-board.	Engagement of consultants to assist the PMU in ES implementation is soon to be mobilized given the services contracts have been signed.	#SD1: Consultancy Services for Design Review and Construction Supervision - Contract was signed on January 15, 2023 #SD2: Consultancy Services for Project Management Consultant - Contract was signed on February 13, 2023.
Contingent Emergency Response (USD0 million): A provisional zero amount component to allow for rapid reallocation of loan proceeds for emergency response	Standby component for potential reallocation due to national emergency	If this component is triggered, E&S safeguards need to comply with the WB policies.	Standby

Financial Management:

As per the WB led mission conducted in Oct-Nov 2022, the overall FM arrangements are deemed to be Moderately Satisfactory. The recruitment of the Project Financial Management Specialist has been completed but the full-time Accountants is yet to be deputed to the project. WB will conduct a training for the newly appointed FM staff at a mutually agreed time. Considering that disbursement commenced in October 2021, the project started submitting IUFs for the reporting of expenditures and requesting of advances. IUFs up to June 2022 quarter have been submitted and reviewed by the WB. The FY22 audit report under the Project has been submitted. The formation of the Project Audit Review Committee (PARC) has been completed. The committee has already met once to discuss audit observations. The Project will engage a private chartered accountant to conduct internal audit based on the agreed term of reference (ToR), which has been finalized.

6. Status of the Grievance Redress Mechanism (GRM)

DWASA is in the process of establishing two GRMs, one of which will deal with grievances about any irregularities in applying the stipulations adopted in the ERSMF and other issues transpiring from the project activities. The second GRM will deal exclusively with grievances/complaints that may involve workers employed by the construction contractors and subcontractors/suppliers. The GRM will be established close to the inception of civil works.

7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)

Since the procurement of major works is pending, nothing to report for this reporting period.

Remarks:
