

Project Implementation Monitoring Report (#9)

Reporting Period From 2024/04 To 2024/10

Bangladesh : Dhaka Sanitation Improvement

1. Project Information

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|--------------------------------|---|------------------------|--|
| 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: | Ronald Muana | | |
| Responsible DG: | Rajat Misra | | |
| Responsible Department: | PSC1 | | |
| Project Team Members: | Liu Yang, Project Counsel; Guoping Yu, SFD - Procurement Specialist; Shonell Robinson, SFD - Financial Management Specialist; Victoriano Macasaquit, SFD - Social Development Specialist; David Rollinson, SFD - Environment Specialist; Ronald Muana, Team Member; Hayoung Kim, Team Member; 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 May, 2023 Mid-term Review mission with GoB and WB/AIIB. AIIB's water and sanitation specialist attended the mission in Dhaka on behalf of AIIB. Oct, 2023 Implementation support mission with WB. AIIB's water and sanitation specialist physically attended the mission in Dhaka. Apr, 2024 Implementation support mission with WB. AIIB PTL physically attended the mission in Dhaka. Oct, 2024 Implementation Support Mission with WB. AIIB PTL attended online. Consultant (Shariful Islam) attended onsite. | | |
| Planned Site Visits by AIIB: | Apr, 2025 Implementation Support Mission (tentative) | | |
| Current Red Flags Assigned: | 1 | | |
| Current Monitoring Regime: | Regular Monitoring | | |
| Previous Red Flags Assigned: | 1 | | |

Project Implementation Monitoring Report (#9)

Reporting Period From 2024/04 To 2024/10

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| Previous Red Flags Assigned Date: | 2024/03 |
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2. Project Summary and Objectives

The Project objective is to increase access to safely managed sanitation services in select areas of Dhaka City and to improve the efficiency of Dhaka Water Supply and Sewerage Authority (DWASA) 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 Dhaka Water Supply and Sanitation Project, supported by the World Bank (WB). 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): | Jun. 26, 2024 |
| Orig. Closing: | Jul. 31, 2025 | Rev. Closing (if any): | Apr. 30, 2027 |

4. Disbursement Summary (USD million)

| | | | |
|-------------------|--------|---------------------------------------|--------------------|
| Contract Awarded: | | Cancellation (if any): | 0.00 |
| Disbursed: | 21.03 | Latest disbursement (amount/date): | 1.12/Jul. 03, 2024 |
| Undisbursed: | 148.97 | Disbursement Ratio (%) ¹ : | 12.37 |

5. Project Implementation Update

Project disbursement remains low at 12.37%. However, it is picking up and has increased from USD 14 million to USD 21 million (a 50% increase from the prior cumulative disbursement) over the last six months. Both the latest political changes and delays in issuing road-cutting permits slowed the pace of implementation. Nonetheless, the project showed steady progress over the last six months as all works contracts have been signed and commenced, with scheduled completion dates by December 31, 2026 (four months before the project closing date).

The project budget has been fully committed. Moreover, during the October 2024 mission, the Local Government Division (LGD) and the newly assigned administrators of Dhaka South City Corporation (DSCC) and Dhaka North City

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.

Project Implementation Monitoring Report (#9)

Reporting Period From 2024/04 To 2024/10

Corporation (DNCC) committed to signing an MoU as an umbrella agreement to permit road cuttings to install a sewerage network as needed rather than following the one-stop permit for each segment which is tedious and time-consuming. In addition, the DNCC agreed to hand over the land for the construction of a new sewage pump station on the eastern trunk main. In addition, the new managing director (MD) for DWASA has been appointed and the project director (PD) has been recommended for approval. These developments will undoubtedly expedite the pace of implementation.

The Bank approved the Project restructuring on June 26, 2024. The restructuring included i) the extension of the loan closing date from July 31, 2025, to April 30, 2027, ii) the cancellation of component 3 because other agencies will carry out the activity, and iii) updating of PDO indicator on "People provided with access to safely managed sanitation services" from 1.5 million people to 1.4 million, and iv) reorganization of the project budget allocation. Items iii) and iv) are both due to the cancellation of component 3.

The AfDB and World Bank Project Teams are closely coordinating with DWASA regarding the catch-up of the program.

| Components | Physical Progress | Environmental & Social Compliance | Procurement |
|--|--|--|--|
| Component 1: 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. | Major consultancies including the Project Management Consultant (PMC), Design review and Construction supervision, and Safeguards Documents Preparation are on-board and functional. Progress reports are prepared on time. | Consultants for SD1 have hired and mobilized E&S Specialists. Submission of safeguards requirements for each contract are in various stages but overall satisfactory. | Completed |
| Component 2: Sewerage and Wastewater Treatment (USD446.52 million): Reconstruction of two trunk mains, construction of new secondary and tertiary network as | The detailed designs for works including (i) a new Pagla STP (WD-1), (ii) Eastern Trunk Mains (WD-2), and (iii) Western Trunk Mains (WD-3) are still under finalization. However, segments of the trunk mains as well as the process design and part | Contractors for all contracts have hired and mobilized E&S Specialists. The ESIA along with ESMP will have to be updated following the proposed changes in work procedure and routings of the network. The respective contractor to submit the relevant C-ESMP by November 30, 2024, based on the existing ESMP, work methodology, equipment to be used, traffic | All Completed. WD1- contract signed on May 16, 2023. WD2 - contract signed on January 17, 2023 WD3 - contract as signed on March 2, 2023 WD5A - contract signed on Feb 15, 2024 WD5B - contract signed on Feb 4, 2024 |

Project Implementation Monitoring Report (#9)

Reporting Period From 2024/04 To 2024/10

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| <p>well as construction of a Wastewater Treatment Plant.</p> | <p>of the superstructure of Pagla STP have been finalized, sand filling for the foundation of Pagla STP is underway, and testing piles have been carried out in early November, and will be followed by the construction of the superstructure piles. Further, the four packages for Eastern Sewer Network and Western Sewer Network (WD-5A, WD-5B, WD-6A, and WD-6B) have been signed and contracts commenced in September 2024. Preliminary designs have been finalized.</p> <p>The contractors have started procurement of the key goods for WD-1, WD-2, and WD-3. In addition, contractors for WD-5A, WD-5B, WD-6A, and WD-6B have identified suppliers for the sewer pipes and manholes. This is expected to boost project disbursement.</p> | <p>management plan, work plan, etc.</p> | <p>WD6A - contract signed on Jan 11, 2024 WD6B - contract signed on Dec 24, 2023</p> |
| <p>Component 3: Non-Network Sanitation (USD8.46 million): Testing and demonstration of the feasibility of locally-adapted collection and treatment solutions.</p> | <p>Component cancelled under the approved restructuring</p> | <p>N/A</p> | <p>N/A</p> |
| <p>Component 4: Project Implementation and Management Support (USD20.94 million): Project management support to DWASA in implementing and monitoring all</p> | <p>The Project Management Unit (PMU) is operational, with an acting PD, who has also been recommended as the permanent PD and is expected to be onboarded soon. In addition, considering the vast scope, technical</p> | <p>E&S Consultant staff mobilized, periodic E&S report submitted</p> | <p>Partially Completed SD1: Consultancy Services for Design Review and Construction Supervision - Contract signed on January 15, 2023 SD2: Consultancy Services for Project Management Consultant - Contract signed February 13, 2023. SD10: Technical Assistance</p> |

Project Implementation Monitoring Report (#9)

Reporting Period From 2024/04 To 2024/10

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| <p>project-related activities.</p> | <p>complexity, and scale of the project's investments, and the necessity of periodic reporting, a Design-Review and Construction Supervision (DR&CS) Consultant has been recruited and mobilized. Further, a Project Management Consultant (PMC) to assist the PMU with institutional support, capacity building, and project management, including periodic reporting (quarterly and semi-annually), has been recruited and is now on board.</p> | | <p>for Implementation of Communication and Stakeholder's Engagement Strategy - Contract signed February 15, 2024 SD7: Consultancy Services for Preapration of Resettlement Action Plan. - Contract signed SD6: Consultancy Services for Audit Fir - Ongoing procurement</p> |
| <p>Component 5: Contingent Emergency Response (USD0 million): A provisional zero amount component to allow for rapid reallocation of loan proceeds for emergency response</p> | <p>N/A, Standby component for potential reallocation in case of national emergency</p> | <p>N/A</p> | <p>N/A</p> |

Financial Management:

Legal Covenants: The project is compliant with all covenants of the signed Financing Agreement and Project Agreement.

Financial Reporting: The project has been submitting IUFRRs on time. The IUFRR for the quarter ending June 2024 reported an expenditure of BDT 2,308.43 million during the quarter (including both WB and AIIB).

6. Status of the Grievance Redress Mechanism (GRM)

The October 2024 mission noted that the Project still needs to fully functionalize the project-specific Grievance Redressal Mechanism (GRM). Currently, the Project utilizes the agency-level GRM, which requires extra efforts to disaggregate Project-specific issues. The WB and AIIB team will share the framework for an effective project and sub-project GRM and guide the project in developing the Project GRM based on this framework in the next quarter.

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

Project Implementation Monitoring Report (#9)

Reporting Period From 2024/04 To 2024/10

All major civil works are awarded but due to delays mentioned in previous sections are still under construction. No results are to be reported presently.

Remarks:

Based on updated work plans, civil works will be completed by the end of 2026.

| Project Objective Indicators | Indicator level | Unit of Measure | Cumulative Target Values | | | | | | | | | | | | | | | | | | | Frequency | Responsibility | Comments | | |
|---|-----------------|-----------------|--------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|--------|--------------|----------------|---------------------------|---|--|
| | | | Baseline | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | End Target | | | | | | | |
| | | | Year | Value | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Year | Target | Actual | | | | | |
| 1. People provided with access to safely-managed sanitation services | Project | Number | 2020 | 0 | | | | | | | | | | | | | | | | | 2026 | 1.5 million | | Quarterly, Year 3 Onwards | PMU. Administrative Data from DWASA and Private Operator | |
| 1.1 People provided with access to safely-managed sanitation services - Female | Project | Number | 2020 | 0 | | | | | | | | | | | | | | | | | 2026 | 0.75 million | | Quarterly, Year 3 Onwards | PMU. Administrative Data from DWASA and Private Operator | |
| 2. Operating Ratio for DWASA combined Operations (Water and Sewerage) maintained below 0.7 (Yes/No) | Project | Yes/No | 2020 | No | | | | | | | | | | | | | | | | | 2026 | Yes | | Once a year, from Year 2 | PMU. Revenue and cost numbers from the accounting database maintained within DWASA's accounts division. | |

| Project Intermediate Indicators | Indicator level | Unit of Measure | Cumulative Target Values | | | | | | | | | | | | | | | | | | | Frequency | Responsibility | Comments | | |
|---|-----------------|-----------------|--------------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------|--------|--------|-----------|----------------|------------------------------|--|--|
| | | | Baseline | | 2020 | | 2021 | | 2022 | | 2023 | | 2024 | | 2025 | | 2026 | | End Target | | | | | | | |
| | | | Year | Value | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Target | Actual | Year | Target | Actual | | | | | |
| DWASA sewerage GIS strengthened | Project | Yes/No | 2020 | No | | | | | | | | | | | | | | | | | 2026 | Yes | | Once a year, starting Year 2 | PMU. Data from the DWASA GIS/Mapping unit. | |
| Sewerage Connection Strategy and Plan developed and implemented under DWASA's oversight according to plan | Project | Yes/No | 2020 | No | | | | | | | | | | | | | | | | | 2026 | Yes | | Once, in Year 2. | Third-Party Agency. Household survey on Project Information conducted by third-party communication agency. | |

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| Experienced STP operator contracted for a minimum of 3 years | Project | Yes/No | 2020 | No | | | | | | | | | | | | | | | 2026 | Yes | Once in Year 3 | PMU. Administrative and procurement data collected and maintained by DWASA. |
| Length of Trunk Mains completed | Project | KM | 2020 | 0 | | | | | | | | | | | | | | | 2026 | 18 | Quarterly, Year 2 Onwards. | PMU. The constructed length will be measured by the contractor and provided as a part of regular progress reports. |
| Household sewer connections resulting from project interventions | Project | Number | 2020 | 26,000 | | | | | 26,000 | | | | | | | | | | 2026 | 50,000 | Quarterly, from Year 3. | PMU. Household connection database maintained within the billing collection system. |
| Volume of sewage collected from the Pagla catchment and flowing to Pagla STP | Project | Million liters/day | 2020 | 0 | | | | | | | | | | | | | | | 2026 | 150 | Quarterly, from Year 2. | Operational data collected and maintained by the DBO contractor at the Pagla STP and verified by DWASA. |
| Quality of effluent discharge from the Pagla STP | Project | % | 2020 | 0 | | | | | | | | | | | | | | | 2026 | 70 | Quarterly, from Year 2. | PMU. Operational data (SCADA and third-party water samples from inflow and outflow) collected by the DBO contractor and verified by DWASA. |
| People benefitting from safely-managed sanitation in Pagla Catchment | Project | Number | 2020 | 0 | | | | | | | | | | | | | | | 2026 | 100,000 | Quarterly, Year 3 Onwards. | PMU. Household connection database maintained within the billing collection system and record of septage collected and deposited at the Pagla STP. |

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|--|---------|--------|------|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|------|--------|----------------------------------|---|
| People in low-income settlements provided with sanitation services | Project | Number | 2020 | 0 | | | | | | | | | | | | | | | | | | 2026 | 50,000 | Quarterly, Year 2 Onwards. | PMU. Database maintained within the billing collection system and record of septage collected and deposited at the Pagla STP. |
| DWASA maintaining a Grievance Redressal Mechanism | Project | Yes/No | 2020 | No | | | | | | | | | | | | | | | | | | 2026 | Yes | Quarterly, Year 2 Onwards. | PMU. GRM database maintained at DWASA. |
| Percentage of female DWASA employees provided with technical, leadership and orientation trainings | Project | Number | 2020 | 0 | | | | | | | | | | | | | | | | | | 2026 | 60% | Once a year, starting in Year 2. | PMU. Post-training will be administered by the PMC under the supervision of the PMU. |
| Percentage of beneficiary households that expressed satisfaction with service provision | Project | % | 2020 | 0 | | | | | | | | | | | | | | | | | | 2026 | 50 | Once a Year. | Third Party Agency. Sample household surveys conducted by Third Party agency. |
| Percentage of female-headed beneficiary households satisfied with services | Project | % | 2020 | 0 | | | | | | | | | | | | | | | | | | 2026 | 50 | Once a Year. | Third Party Agency. Sample household surveys conducted by Third Party agency. |
| Percentage of complaints redressed within stipulated redressal period | Project | % | 2020 | 0 | | | | | | | | | | | | | | | | | | 2026 | 70 | Quarterly, Year 2 Onwards. | PMU. GRM database maintained at DWASA. |
| Percentage of female staff who achieve career progression through getting relevant placement after receiving technical, management, leadership and | Project | % | 2020 | 0 | | | | | | | | | | | | | | | | | | 2026 | 5 | Once a year, starting Year 2. | PMU. Data from DWASA annual report. |

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| orientation training (percentage) | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|