ADB ASIAN DEVELOPMENT BANK

Bangladesh: Secondary Towns Water Supply and Sanitation

Project Name	Secondary Towns Water Supply and Sanitation
Project Number	36297-013
Country	Bangladesh
Project Status	Approved
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	**Loan 2265-BAN: Secondary Towns Water Supply and Sanitation** Asian Development Fund — US$ 41.00 million **Loan 8225-BAN: Secondary Towns Water Supply and Sanitation** OPEC Fund for International Development — US$ 9.00 million
Strategic Agendas	Inclusive economic growth
Drivers of Change	Governance and capacity development
Sector / Subsector	Water and other urban infrastructure and services - Urban policy, institutional and capacity development - Urban sanitation - Urban water supply
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The primary impact of the Project is to improve the living conditions and health standards in participating secondary towns and improve sustainability of purashava-level water utilities. The over-arching outcome of the project will be the sustainable access to improved and safe water and sanitation services in the project areas. More specific outcomes will include: (i) increased quantity and quality of water supply; (ii) increased sanitation coverage; (iii) improved community awareness of the link between proper hygiene, sanitation, and health; (iv) improved capacity of pourashavas to implement, operate, manage and maintain water supply and sanitation investments; (v) adoption of improved management practices consitent with SDP-WSSB for greater efficiency and sustainability of local water utilities; and (vi) improved capacity of Department of Public Health Engineering (DPHE) to plan, design, supervise, monitor and provide technical assistance to pourashavas and local water utilities.
Project Rationale and Linkage to Country/Regional Strategy	At present, 72% of urban and 59% of rural populations have access to safe water. Sanitation coverage in urban areas is estimated at about 74% whereas in rural areas, the coverage is around 57%. Limited piped water supply is available in 102 of the 298 pourashivas for about 2-12 hours per day, and often supplied water includes iron and mineral content. The population not served by piped systems generally rely on hand tube wells, ponds and other sources of doubtful quality. Contamination of water sources is a serious problem in Bangladesh. Twenty-two percent of around 7 million tube wells in the country are contaminated with arsenic beyond the Bangladesh standard of 0.05mg/l. Despite ADB's continuing involvement, water supply and sanitation services are still inadequate, with less than half the urban population having access to piped water. Given the high incidence of water-related diseases, the need to improve water supply and sanitation is pressing. The project will continue to support the Government?s effort to expand coverage of water and sanitation services to urban secondary towns. The experiences of earlier projects will be taken into account in solving problems in financial management, institutional strengthening, and cost recovery.
Impact	To improve the living conditions and health standards in pourashavas and improve sustainability of pourashava water utilities.

Project Outcome

Description of Outcome	> Increased quantity and improved quality of water supply in project towns (contribute to achievement of the targets of Millennium Development Goal 7) > Improved community awareness of the link between proper hygiene, sanitation, and health, particularly among women and children > Increased sanitation coverage > Improved capacity of secondary towns to implement, operate, manage, and maintain water supply and sanitation investments > Improved capacity of DPHE to plan, design, supervise, monitor, and provide technical assistance to local water utilities > Management options consistent with the SDPWSSB (PLC entity, outsourcing billing and collection) ushed forward and piloted
Progress Toward Outcome	With rehabilitation of existing water supply networks water supply pressure increased substantially. People started getting more water for longer hours. Introduction of volumteric water billing system is a remarkable improvement in the overall water supply system of the project towns.

Implementation Progress	
Description of Project Outputs	Part A. Water Supply Improvements: (i) Rehabilitation, expansion, and completion of metering of existing piped water supply systems; (ii) Number of metered household connections maximized; (iii) Shared standpipes and other safe water points provided to areas that cannot be provided with household connections efficiently. Part B: Sanitation Improvements (i) Community, school, public sanitation improvements; (ii) Sanitation awareness and promotion, hygiene education, capacity building; (iii) Septic-tank sludge removal/ management. Part C: Institutional Development (i) Strengthening of DPHE; (ii) Strengthening of the pourashavas; (iii) Implementation assistance.
Status of Implementation Progress (Outputs, Activities, and Issues)	The project was completed on 30 June 2014. Due to liquidation of imprest account advance the loan account closing was delayed and expected to done in April 2015. Part B: completed. Part C: completed.
Geographical Location	16 Pourashavas

Safeguard Categories	
Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects	
Environmental Aspects	DPHE prepared initial environmental examinations (IEEs) for the four sample subprojects following ADBs Environment Policy (2002) and Environmental Assessment Guidelines (2003). The IEEs show that the subprojects resulted in substantial net environmental and public health benefits including (i) reduced risk of waterborne diseases from improved water supply through the provision of better access to safe and adequate water supply and from improved sanitation and hygiene; (ii) reduced risk of arsenic- related diseases particularly for households that currently use shallow tube wells that are likely to be contaminated with arsenic; (iii) reduced groundwater contamination and avoided sewage flow in drainage canals, ponds, and rivers; and (iv) increased social benefits from community development. The salient points of the IEEs including impacts and risks and mitigation measures are summarized in Supplementary Appendix J (the full IEE and subproject IEEs are in Supplementary Appendix K). DPHE's completion report (August 2014) provides overall assessment.
Involuntary Resettlement	To ensure compliance with the Government and ADBs policy and requirements for involuntary resettlement, DPHE developed a resettlement framework to guide subproject implementation. DPHE prepared draft resettlement plans for the four sample subprojects following the Governments Acquisition and Requisition of Immovable Property Ordinance of 1982 (amended in 1993 and 1994), ADBs policy on involuntary resettlement (footnote 29), and the resettlement framework for the Project (Supplementary Appendix L). DPHE had endorsed the draft resettlement framework and draft resettlement plans for the sample subprojects, which are on the ADB website. The Project is designed to minimize land acquisition and resettlement impacts, and the subproject selection criteria do not allow subprojects with significant resettlement impacts. Careful subproject siting and alignment will further minimize impacts. Most new construction and rehabilitation will be undertaken on Government land or within the premises of existing facilities. In the four sample subprojects, permanent land acquisition required for overhead tanks, production wells, and treatment plants is 0.43 hectares affecting five households. Impacts due to the rehabilitation and construction of water supply networks will be temporary and minimal, as these will be undertaken on road shoulders and under roads if structures are on the shoulders. DPHE's completion report (August 2014) provides overall assessment. No land acquisition and no resettlement was required.

Indigenous Peoples	The Project provides social benefits by improving and expanding access to water supply and sanitation resulting in significant environmental and public health benefits in subproject pourashavas. Social assessments undertaken for sample subprojects do not indicate significant adverse impacts on vulnerable groups, and did not identify any indigenous groups. The 16 shortlisted pourashavas do not have significant indigenous populations. The resettlement framework and resettlement plans provide additional entitlements to vulnerable people affected, including households headed by indigenous people.

Stakeholder Communication, Participation, and Consultation	
During Project Design	In each pourishava, a water supply and sanitation committee have been set up under the pourashava Chairperson. Its membership includes the chief executive officer, the executive engineer, and two ward commissioners of the pourashava, and the DPHE executive engineer. It may also include NGO representatives. The committee implement the project locally and review its progress and resolve problems and issues in implementation
During Project Implementation	In each pourashava, a water supply and sanitation committee has been set up under the pourashava chairperson. Its membership includes the chief executive officer, the executive engineer, and two ward commissioners of the pourashava, and the DPHE executive engineer. It may also include NGO representatives. The committee implement the project locally and review its progress and resolve problems and issues in implementation. One NGO for each Pourashava working with community to form water users group who identify needs and location of water points, collects user fee for maintenance of the facilities. All development works are discussed at a 50-member citizen forum called Town Level Coordination Committee (TLCC) and implementation progress is also monitored by them.

Business Opportunities	
Consulting Services	Consultants have been selected and engaged using ADB's quality-and cost-based selection procedures in accordance with ADB's Guidelines on the Use of Consultants and other arrangements satisfactory to ADB for engaging consultants and NGOs. Consulting services have been constituted in 3 packages at the PMU level viz: (i) project management, engineering design and supervision; (ii) institutional capacity building, and (iii) awareness programs. In addition, purashava-level NGOs are being engaged by the PIU to mobilize communities and construct community water points and sanitation facilities. An estimated 126 person-months of international consulting and 1,741 person months of domestic consulting expertise will be required.
Procurement	Goods works and services are being procured in accordance with ADB's Guidelines. Contracts above $1.5 million are being procured using International Competitive Bidding procedures, while contracts up to $1.5 million are being procured through Local Competitive Buiiding procedures, and items costing the equivalent of $100,000 or less may through ADB's direct purchase procedures.

Responsible ADB Officer	Md. Shahidul Alam
Responsible ADB Department	South Asia Department
Responsible ADB Division	Bangladesh Resident Mission
Executing Agencies	*Department of Public Health EngineeringSyed Shahbaz Hossainstwssp@gmail.comDPHE Bhaban, 14 Shaheed Captain Mansur Ali Sarani, Dhaka*

Timetable	
Concept Clearance	20 Oct 2005
Fact Finding	23 Jan 2006 to 07 Feb 2006
MRM	31 Mar 2006
Approval	16 Oct 2006
Last Review Mission	-
PDS Creation Date	23 Jan 2006
Last PDS Update	31 Mar 2015

Loan 2265-BAN

Milestones					
Approval	**Signing Date**	**Effectivity Date**	**Closing**		
			Original	**Revised**	**Actual**
16 Oct 2006	08 Nov 2006	31 Jan 2007	30 Jun 2013	30 Jun 2014	-

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	62.10	Cumulative Contract Awards			
ADB	41.00	16 Oct 2006	37.36	0.00	108%
Counterpart	21.10	Cumulative Disbursements			
Cofinancing	0.00	16 Oct 2006	34.74	0.00	100%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	Satisfactory	Satisfactory	-	-	-	Satisfactory

Loan 8225-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Sep 2006	20 Mar 2007	19 Jun 2007	31 Mar 2012	30 Jun 2014	-

Financing Plan		Loan Utilization			
	Total (Amount in US$ million)	Date	ADB	Others	Net Percentage
Project Cost	9.00	Cumulative Contract Awards			
ADB	0.00	13 Sep 2006	0.00	8.12	90%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	9.00	13 Sep 2006	0.00	7.92	88%

Project Page	http://www.adb.org/projects/36297-013/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=36297-013
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