Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 05/15/2020 | Report No: ESRSA00648
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Project ID</th>
<th>Parent Project ID (if any)</th>
</tr>
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<tbody>
<tr>
<td>Bangladesh</td>
<td>SOUTH ASIA</td>
<td>P169342</td>
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<table>
<thead>
<tr>
<th>Project Name</th>
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</thead>
<tbody>
<tr>
<td>BD Rural Water, Sanitation and Hygiene for Human Capital Development Project</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
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<tbody>
<tr>
<td>Water</td>
<td>Investment Project Financing</td>
<td>6/1/2020</td>
<td>8/20/2020</td>
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<table>
<thead>
<tr>
<th>Borrower(s)</th>
<th>Implementing Agency(ies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People’s Republic of Bangladesh</td>
<td>Department of Public Health Engineering (DPHE), Palli Karma-Sahayak Foundation (PKSF)</td>
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Proposed Development Objective(s)
To (i) improve access to ‘safely-managed’ water supply and sanitation in selected areas of rural Bangladesh; and (ii) strengthen sector institutional capacity for water and sanitation.

<table>
<thead>
<tr>
<th>Financing (in USD Million)</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Total Project Cost</td>
<td>543.40</td>
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### B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?
No

### C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

#### A. Project Development Objective

1. PDO statement. To (i) improve access to ‘safely-managed’ water supply and sanitation in selected areas of rural Bangladesh; and (ii) strengthen sector institutional capacity for water and sanitation.

2. PDO level indicators. The PDO will be evaluated against the following PDO-level indicators:
(a) The number of people provided with access to ‘safely-managed’ water services
(b) The number of people provided with access to ‘safely-managed’ sanitation services; and
(d) Monitoring system established and in use in project Upazilas (Yes/No).

B. Project Components

3. The project components have been developed using the convergence approach, central to project design. The project will converge with two on-going Bank projects: (i) the Bangladesh Health Sector Support Project (P160846, US$500 million, July 2017 - Dec 2022), which seeks to strengthen the health, nutrition and population (HNP) sector’s core management systems and delivery of essential HNP services; and (ii) the Bangladesh Income Support Program for the Poorest Project (P146520, US$250 million, March 2015 - June 2022), which seeks to provide income support to the poorest mothers in selected Upazilas while increasing the mothers’ use of child nutrition and cognitive development services and enhancing local level government capacity to deliver safety nets. The convergence approach among the three projects involves a geographical overlap of project locations, the use of common delivery platforms including beneficiary targeting, coordinated communication strategy, and leveraging each other’s results indicators (see Annex 1). With at least two projects implemented in project locations, the convergence approach is expected to leverage the multi-sectoral interventions and resources to address human development challenges faced by vulnerable households in some of the poorest regions of the country.

4. To achieve its objectives, the project will support five components, financed by the Government of Bangladesh (GoB), AIIB, and Bank. A breakdown of costs and sources of funds by components are presented in Chart 1. Annex 2 provides more details on each sub-component. Pursuant to a Project Co-Lenders’ Agreement with the AIIB, the Bank will supervise the project and administer both IDA and the AIIB loans in accordance with the Bank’s policies and procedures. The co-lender agreement will be signed by the Bank and the AIIB in accordance with the 2016 Co-Financing Framework Agreement between the AIIB and Bank (as amended in 2018). The AIIB and Bank will jointly finance the project in equal shares, with all components financed jointly. The GoB is expected to provide US$143 million in counterpart funding.

Chart 1. Project costs by component and financier (in US$ million)

(a) Component 1: Investments in water supply.
   (i) 1.1: Large piped water schemes will support piped water schemes for water scarce communities of 300-700 households.
   (ii) 1.2: Small piped water schemes target water scarce communities of a smaller size, investing in schemes that each serves 30-40 households.
   (iii) 1.3: Household loans for water improvements will enable about 60,000 households to borrow from MFIs for household water facility improvements.
   (iv) 1.4: Water supply market development will provide MFI loans to local water entrepreneurs.
   (v) 1.5: Feasibility studies in high climate risk regions will identify sources for drinking water and examine technological options and their financial viability in five Districts in Southern Bangladesh.

(b) Component 2: Investments in sanitation and hygiene.
   (i) 2.1: Public sanitation and hygiene facilities will invest in sanitation and hygiene facilities in high pedestrian traffic locations, community health clinics, and non-government schools.
(ii) 2.2: Sanitation and hygiene facilities for households will provide two-pit latrines and handwashing stations to households through MFI loans or grants, depending on their income level.

(iii) 2.3: Sanitation and hygiene market development will provide MFI loans to local sanitation and hygiene entrepreneurs to expand their businesses and offer them training on proper installation and maintenance of SDG 6 compliant WASH facility products.

(iv) 2.4: Innovation will help localize innovation WASH technologies, especially in fecal sludge management.

(v) 2.5: Behavioral change communication (BCC) campaign will carry out activities to change WASH behaviors and raise WASH awareness and willingness to pay.

(c) Component 3: Institutional strengthening.

(i) 3.1: Strengthening of policies and regulatory framework will support drafting policy documents that would be critical in implementing the newly drafted National Strategy for Water Supply and Sanitation.

(ii) 3.2: Capacity building will design and deliver a series of multi-year training to targeted central and local government officials working in the WASH and converging sectors.

(d) Component 4: Project implementation and management. This component will support key project management activities enabling the DPHE and PKSF to coordinate and implement the proposed project.

(e) Component 5: COVID-19 emergency response. This component will provide quick, just-in-time WASH services where needed, both in and outside the convergence areas, to cope with the fast-changing COVID-19 situation.

(f) Component 6: Contingent emergency response (CERC). A provisional zero amount component is included, which will allow for rapid reallocation of loan proceeds from other project components during an emergency.

D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

This project will be implemented in 78 Upazilas in 18 Districts, which are chosen from four Divisions (Chottogram, Sylhet, Mymensingh and Rangpur). These were selected based on levels of water availability and quality, WASH coverage, and quality of MFI services. Many of the areas are remote with limited accessibility. Specific locations of the interventions have not been identified yet. The large piped water schemes will support 78 piped water schemes for water scarce communities of 300-700 households. And the small piped water schemes will target 3,000 water scarce communities of 30-40 households. The Project will also enable about 40,000 households to borrow from Micro Finance Institutes (MFIs) for household water facility improvements. Under emergency support for COVID-19, the Project will also provide mini water supply with hand wash facilities in around 700 locations in about 5 Districts across Bangladesh, the selection of these districts is yet to be determined. The rural water supply is likely to use groundwater sources. Shallow aquifers will be avoided in order to reduce the risk of coliform. Absence of proper sanitation services cause environmental pollution, affecting both public health and the local economies. The Project will also invest in sanitation and hygiene facilities in pedestrian traffic locations, community health clinics, and non-government schools and provide two-pit latrines and hand washing stations to households through MFI loans or grants, depending on their income level.
Given the prevailing state of water supply and sanitation standards the project will provide further access to WASH facilities, training and financial support to achieve higher standards of WASH discipline. It will also have important implications for women’s safety and security. Households will be motivated to construct toilets adjacent to their houses / bedrooms, rather than the legacy of ‘out house’ latrine construction. Lack of sanitation facilities in schools results in low levels of attendance among girls, perpetuating cycles of gender inequality and poverty. Girls who have reached puberty and female school staff who are menstruating need gender-specific sanitation facilities. The project will introduce low cost sanitary napkin in rural areas through private sector involvement. For environmental and social due diligence, both DPHE and PKSF adopted a framework approach, since the exact locations and various physical activities related to water supply, sanitation are yet to be determined.

D. 2. Borrower’s Institutional Capacity

Department of Public Health Engineering (DPHE) and Palli Karma-Sahayak Foundation (PKSF) will be the Implementing Agencies (IA) of the project. The project will be managed by two PMUs collaborating closely. DPHE will play the main role in the development of public infrastructure under the project. It has considerable experience in executing Bank projects, with capacity for design and procurement, construction, and commissioning of WASH facilities. It will be responsible for supporting piped water schemes (Components 1.1 and 1.2), providing public WASH facilities, including in healthcare centers and community secondary schools (Component 2.1), and offering sanitation grants for the poorest (Component 2.2.b). DPHE will also carry out water supply feasibility studies in climate risk areas (Component 1.5), pilot innovations (Component 2.4), implement most of WASH behavioral change communications (BCC) campaign (Component 2.5) and carry out institutional reforms and capacity building activities (Component 3). PKSF will play the main role in the development of private assets under the project. It is a ‘not-for-profit’ financing institution and works with Micro Finance Institutions (MFIs) that offer microcredits to poor and non-poor borrowers. PKSF has considerable experience in managing Bank projects in various sectors and recently managed the OBA Sanitation Program. Under this project, PKSF will be responsible for offering wholesale capital to retail MFIs, which in turn will give loans to households to upgrade the WASH facilities at their home in the project areas (Components 1.3 and 2.2.a). In addition, PKSF will extend capacity building support to retail MFIs and local entrepreneurs for creating demand and installing SDG-6 compliant WASH facilities (Components 1.4, 2.3, and 2.5).

Both the agencies have dealt with safeguards issues adequately in the past in World Bank financed projects and are currently implementing the Bangladesh Municipal Water Supply and Sanitation Project (BMWSSP) and Sustainable Enterprises Project which are similar to this project. However, the ESF will be new for both. There will be a need for training, deployment of adequate staffing and resources from the client side, and sustained assistance from the Bank side. To mitigate the risks, the DPHE and PKSF will be adequately resourced with personnel and expertise with clearly-defined TORs. The Environmental and Social Management Framework (ESMF) proposes the recruitment of required staff for this proposed project, who will assist the development of a long-term E&S capacity building program for both agencies to be supported under the project as well as to ensure the overall environmental and social risk management at the implementation stage. The Environmental and Social Commitment Plan (ESCP) records agreed actions that the IAs will adopt including capacity building activities and preparation of management plans and guidelines.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS
A. Environmental and Social Risk Classification (ESRC)  Moderate

Environmental Risk Rating  Moderate

The major environmental risk will emanate from water contamination, discharge of sludge and untreated sewage. There will be construction related impacts such as air, noise, dust and water management when water pipes and twin pit latrines are built/setup. Removal/transportation of septage may also cause worker and community health and safety concerns if not properly managed.

Training of local sweepers for safe management of fecal sludge and above all a community outreach/training/awareness building effort will significantly improve the present status of fecal waste hazards. Without the project, the current practice is unhygienic and random disposal of fecal waste lead will lead to pollution of natural resources and affects human health. Construction related impacts (noise, air and water pollution) will also need to be managed with proven best practices.

In case of water supply component of the Project there might be risks of lowering the groundwater table due to operation of project constructed deep tube wells. However, DPHE has already prepared a groundwater mapping, and the location of the deep tube-wells will be identified accordingly to ensure low risk of subsidence. Poorly maintained water sources could be breeding grounds for mosquitoes or poor disposal of sludge could result in contamination of water sources. The water quality for all water facilities need to be monitored at regular intervals. Caretakers will be appointed for each water point and will be trained for operation and maintenance, with a special focus on safe disposal of waste water. The project will keep provision for the necessary training and awareness on sanitation technology and management.

Both PKSF and DPHE are capable organizations and have proven experience in managing rural sanitation and water supply programs and are currently implementing two other similar WB funded projects.

Considering the overall risk and impacts related to the proposed project activities, the proposed mitigation measures and the long-term experience and capabilities of the implementing agencies, the Environmental risk is rated Moderate. However, this risk classification will be reviewed on a regular basis and be changed (if necessary). Any change to the classification will be disclosed on the Bank’s website.

Social Risk Rating  Moderate

The key, mostly positive, social impacts of the project are associated with: (i) gender (design, safety, impact on women’s health); (ii) inclusion (addressing the needs of women, elderly, persons with disabilities, indigenous, marginalized and vulnerable communities, culturally sensitized design, easing access to information and finance, assistance with repair and maintenance); (iii) land use (common/private property, optimizing access through strategic location, resettlement impacts if any); (iv) community health and safety; and (v) the type of labor used and associated impacts. If these impacts are well managed, the project is expected to result in better E&S outcomes through improved access to ‘safely-managed’ sanitation facilities, leading to better health. Especially for women, menstrual hygiene, privacy, security, access and comfort will be greatly improved.
The Project will entail use of labor for small scale civil construction in remote areas. Although labor will be mostly local incidence of GBV/SEA cannot be ruled out. The Implementing Agency (IA) and the Contractor will put adequate mechanisms in place (C-ESMP, written and signed Codes of Conduct, worker training and sensitization on GBV/SEA, spread of communicable disease, including COVID-19) to address these issues.

Community health and safety risks are also anticipated due to the removal and transportation of fecal sludge, if not properly managed. However, the Project is designed to reduce open defecation and improve the sludge management and transportation issues. The project will introduce better social outcomes through improved access to basic sanitation facilities, leading to better health and hygiene in the long run. Especially for women and the vulnerable, the Project is also expected to improve menstrual hygiene and related health issues, privacy, security, access and comfort for women. Component 2.5, Behavioral Change and Communication will also address the critical need for hand washing and maintaining proper hygiene to deter COVID-19 outbreak in the communities. Field level activities will be monitored and evaluated against set guidelines by the IAs.

Project ESMF addresses these areas and proposes policies and procedures for mitigation and recommends modalities to maximize project benefits for the target populations by aligning the project design with the socio-cultural and context specific needs of communities. The outbreak of COVID-19 may amplify community health and safety issues, especially related to labor influx. IA will put in place adequate measures for workers as well as local communities where the project will be implemented to deter the spread of the virus.

Considering the overall risks and impacts related to the proposed project activities, that are predictable, site specific, and have minimal adverse impacts that can be adequately mitigated and the long-term experience and capabilities of the implementing agencies, the Social risk is rated Moderate. However, this risk classification will be reviewed on a regular basis and be changed (if necessary). Any change to the classification will be disclosed on the Bank’s website.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

*Overview of the relevance of the Standard for the Project:*

This ESS is relevant to the Project and clarifies the client’s responsibilities in identifying and managing the environmental and social risks of the project. The Project will provide piped water supply as well as sanitation facilities for rural household of 78 Upazilas of 18 Districts. Specific sites are yet to be determined, thus an Environmental and Social Management Framework (ESMF) has been prepared. The ESMF illustrates policy, procedure and directives on how to assess specific environmental and social risks and provide guidance to mitigate them. The ESMF also provides guidelines for screening of sub-projects for environmental and social risks and assessment of Borrower’s capacity and institutional requirements. During implementation, site-specific environmental and social assessments will be conducted as necessary. These assessments will help adoption of mitigation measures against the environmental and social risks and impacts (through preparation of ESMPs) and address the issues of inclusion, social vulnerability of certain groups, gender and GBV, consultation and communication strategy and any other issues identified via the assessment and the stakeholder consultations. As part of the assessment, consultations with key...
stakeholders, including vulnerable and disadvantaged communities, will be carried to identify their concerns and requirements, which will be included in the design of the facilities to strengthen greater support to these population sections. This will also help address potential issues related to Universal Access to project facilities. The ESMF will be updated within 30 days after the Effectiveness Date, since it was not possible to carry out detailed consultation and field assessments during the preparation of the ESMF due to the ongoing COVID-19 pandemic and associated restrictions on movement.

The Project also include a Contingent Emergency Response Component (CERC) which will allow for rapid reallocation of loan proceeds from other project components during an emergency. In case the CERC is activated, the ESMF will be updated to cover any new activities that are not included under existing ESMF. A negative list of activities that are ineligible for financing under the CERC component is included in the ESMF as an annex.

ESS10 Stakeholder Engagement and Information Disclosure

From the outset of the Project, the Implementing Agency (IA) carried out stakeholder identification and engagement, consultation and communication, including provision of grievance redress and disclosure of information. The IA has prepared a Stakeholder Engagement Plan (SEP) which will be disclosed prior to appraisal but will remain a living document. The beneficiaries identified are both at community level (users of water points) and at the individual level (those receiving private toilets, piped water supply and door to door connections). Project interested parties like Local Government Division, local Partner Organizations of PKSF as well as the contractors were also consulted since they will fall under project interested parties of the stakeholder category. A Grievance Redress Mechanisms (GRM) will be set up before implementation to address grievances and receive feedback from all stakeholders in a timely manner and following due process which will include channels where physical presence is not required to lodge a complaint, given the COVID-19 situation in the country. The GRM will be cognizant of and follow required levels of discretion, and cultural appropriateness, especially when dealing with cases of sexual harassment and GBV. The SEP will also be used to provide and share information regarding the status of COVID-19, various health protocols and practice, deter rumors and the alert public of any emergency event since the emergency situation may adversely affect project implementation. Further additional stakeholder consultations will be cognizant of the virus spread and will avoid public gatherings (taking into account national restrictions), including public hearings, workshops and community meetings. If smaller meetings are not permitted, IA will make all reasonable efforts to conduct meetings through online channels, including WebEx, Zoom and Skype. Communications means will be diversified and social media and online channels, chat groups will be used based on the type and category of stakeholders. Traditional channels of communications (TV, newspaper, radio, dedicated phone-lines, and mail) will also be adopted when stakeholders to do not have access to online channels or do not use them frequently. Where direct engagement with project affected people or beneficiaries is necessary IA will identify channels for direct communication with each affected household via a context specific combination of email messages, mail, online platforms, dedicated phone lines with knowledgeable operators. Each of the proposed channels of engagement will clearly specify how feedback and suggestions can be provided by stakeholders.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.
ESS2 Labor and Working Conditions

Relevant. Civil works such as construction of water pipeline and setup of toilet and hygiene facilities in rural areas will involve employment of Project workers (direct workers, and contracted workers). As with any assignment of labor, there is likelihood of labor related risks like GBV, change of power dynamics in the rural areas because of labor income, demand of limited local resources changing price/cost pattern, etc. Further issues such as child labor in the supply chain, forced labor and trafficked personnel will also have to be taken into consideration in the E&S screening.

The civil works of the project will mostly involve localized labor. The prospective bidders will receive training covering all above topics prior to starting the civil works. Given the activities of sanitation and water schemes under the project, the number of workers is expected to be low in size mostly supplied by local labor from the community who will be Contracted Workers (as per ESS2 definition). In case Primary Supply Workers are needed, no child and/or forced labor will be allowed and the Borrower will require the primary suppliers to take appropriate remedies in case child and/or forced labor use is detected. The primary suppliers will also take actions to remedy any OHS issues should the need arise. Required construction materials for very limited civil works will be sourced from legal business entities with permits.

Labor Management Procedures (LMP) have been prepared as per the directives of ESS2 which includes types and number of workers, legal frameworks, nature of work assignments, OHS issues, Grievance Redress Mechanism (GRM) etc. Further, a Labor Management Plan (including Codes of Conduct) proportionate to potential risks and impacts will be prepared by the Contractors prior to the beginning of civil works. This plan will also include the assessment of risks and impacts and required mitigation measure to ensure health and safety of the contractor’s workers that may be exposed to health risks (especially COVID-19). Issues such as child labor, forced labor, gender and GBV issues, occupational health and safety will be addressed in the bidding and contract documents as well. A basic Grievance Redress Mechanism (GRM) has been outlined for the workers to report any issues related to workplace safety and other concerns. Adequate OHS protections in accordance with EHSGs and GIIP in relation to protection from COVID-19 will also be implemented.

ESS3 Resource Efficiency and Pollution Prevention and Management

The project will support construction of water supply and sanitation facilities which will be more energy and water efficient. As mentioned above, the location of deep tube-wells will follow the groundwater mapping done by DPHE (this covers groundwater status as well as water scarce areas where demand for safe water is high). In order to ensure efficient designs of the water supply schemes, water demand studies will be undertaken. Potential impacts on groundwater resources will be monitored, and mitigation measures implemented if required. After site specific assessment the IAs will ensure the execution of the ESMPs so that water supply network is not contaminated, untreated sewage is not discharged and sludge is managed.
The ESMF identifies and proposes measures to mitigate the relevant risks & impacts (especially sludge management). Poor O&M could pose community and public health risks. Therefore, sub-projects will be screened to identify potential risks of creating stagnant water from poor O&M that could serve as breeding ground for mosquitoes and spread of vector borne diseases. Based on the screening results, subsequent mitigation measures will be suggested in the ESMP and implemented. The site-specific groundwater should also be screened against presence of Arsenic and similar contaminant affecting water quality and mitigation measures will be adopted. The water quality assessment should be included in the site-specific environmental assessments.

ESS4 Community Health and Safety
Activities under this project may give rise to a number of risks to community health and safety. The project supports the provision of water supply pipelines and sanitation and hygiene facilities setup in communities many of which are in hard to reach areas of the country. Most of the labor will be from local areas thus labor influx impact will not be very significant. However, the project will generate construction related waste during construction and operation phases. The provision of new design of twin pit toilets is likely to address the issue of sludge disposal and management. COVID-19 spread in the rural areas and among construction and project workers will also need to be taken into consideration during implementation, given the nature of how the disease spreads from human to human. A public interaction protocol, good practices, good hygiene protocol will be posted in various locations and communities and workers will be made aware of how to contain transmission. This community engagement on how to avoid the risk of COVID-19 is part of the project design.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
Land Acquisition is not expected related to the proposed project activities at this stage. The mini piped-water schemes and the community water points and toilets will all be established on land that either belongs to the local governments or is volunteered by the community themselves for which verification as per ESS5 will be carried out. All previous projects working on similar rural water schemes have successfully used this model. The project will work on provision of common water points at the community level. Assessment of land ownership type, community engagement to disseminate information, establish a feedback loop, assess community willingness, participatory site selection and design will be conducted. Detailed assessment will also be done on the existence of squatters, livelihood and grazing activities, and issues related to hindering access to neighboring villages and settlements. It is unlikely (based on the experience of previous projects) that physical displacement will occur, but temporary disturbances and impacts on businesses, access to and from homes (especially with regards to piped water and individual connections) may occur. After the proposed sites are identified and based on screening, if squatters are found to be present in the project sites, Abbreviated Resettlement Action Plans (A-RAP) will be prepared, if necessary.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources
It is very unlikely that the infrastructure works related to water supply and sanitation in rural areas can impact native flora and fauna, especially during the laying of rural water pipelines. The screening process will identify any potential
sensitive sites of biodiversity value in or near proposed intervention sites. In such situations, appropriate mitigation measures will be carried out.

**ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

Since site specific information is yet to be known, the presence and effects on IPs and small ethnic communities exhibiting characteristics as defined in ESS7 through Project activities cannot be determined at this stage. However, the project will not implement any activities in Chittagong Hill Tracts and Cox’s Bazar, where most of the IPs/small ethnic communities with ESS7 characteristics are concentrated. If the ES screening reveal that IPs/small ethnic minorities exhibiting ESS7 characteristics are present in the project interventions areas an Indigenous Peoples Plans (IPP) will be developed, with the provision of free, prior and informed consent, as appropriate.

**ESS8 Cultural Heritage**

Every effort will be made to ensure that the physical works are not located near any heritage sites. A chance finds procedure are included in the ESMF and will be part of works contracts and in the bidding document requiring contractors to stop construction if cultural heritage is encountered during any work and to notify and closely coordinate with relevant mandated country authority for the salvaging and restoration of such cultural heritage.

**ESS9 Financial Intermediaries**

Under this project, PKSF will be responsible for offering wholesale capital to retail MFIs, which in turn will provide loans to households to upgrade the WASH facilities at their homes in the project areas (Components 1.3 and 2.2.a). MFIs and private sector financiers will develop their own Environmental and Social Management Systems (ESMSs), (in case they do not have ESMS yet) and PKSF will check compliance of sub-borrowers as per ESF requirements. Further WB will also review the ESMS of both wholesale and retail MFIs. PKSF will be responsible for oversight of participating MFIs and private sector parties and ensure that they identify, assess, manage and monitor any environmental and social risks emanating from their activities. A Financial Intermediary Study on PKSF has already been conducted by FCI team at the Bank. Requisite training will be provided by PKSF to orient them towards the preparation and use of the ESMS.

**B.3 Other Relevant Project Risks**

Given the existing state of COVID-19 in the country, lack of accessible and relevant health facilities, the project will be implemented under specific protocols. Self-isolation has become a common phenomenon. These already have given rise to the price hike of essentials, travel restriction, social tension and rumors. People living in close proximities of the intervention will have to be separated from workers and worker case diagnosis and referral will be essential.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways**

The exception to the riparian notification requirement is being sought.

**OP 7.60 Projects in Disputed Areas**

Yes

No
### III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)

<table>
<thead>
<tr>
<th>DELIVERABLES against MEASURES AND ACTIONS IDENTIFIED</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td><strong>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</strong></td>
<td></td>
</tr>
<tr>
<td>Prepare and disclose ESMF (already prepared, will be updated after effectiveness)</td>
<td>02/2021</td>
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<tr>
<td>Prepare and disclose ESIAs for sub-projects</td>
<td></td>
</tr>
<tr>
<td>Prepare, disclose, update and implement the Environmental and Social Management Plan (ESMP) for each sub-project</td>
<td></td>
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<tr>
<td><strong>ESS 10 Stakeholder Engagement and Information Disclosure</strong></td>
<td></td>
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<tr>
<td>SEP has been prepared but will be updated after effectiveness. GRM will be in place before any works begin.</td>
<td>02/2021</td>
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<tr>
<td><strong>ESS 2 Labor and Working Conditions</strong></td>
<td></td>
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<tr>
<td>Prepare, update, adapt, and implement the Labor Management Procedures (LMP) - LMP is prepared but will be updated after project effectiveness and once subprojects are identified. Establish, maintain, and operate a GRM for the Project</td>
<td>02/2021</td>
</tr>
<tr>
<td><strong>ESS 3 Resource Efficiency and Pollution Prevention and Management</strong></td>
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<tr>
<td>Develop and implement site specific ESMPs on the basis of RECP, and in accordance with the updated ESMF</td>
<td>02/2021</td>
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<tr>
<td><strong>ESS 4 Community Health and Safety</strong></td>
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<tr>
<td>Put measures in place to prevent or minimize the spread of the infectious diseases/COVID-19 to the community and among workers/labor camps by following national and WHO guidelines, ESMF and SEP.</td>
<td>02/2021</td>
</tr>
<tr>
<td><strong>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</strong></td>
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<tr>
<td>Prepare abbreviated RAPs if the site screenings indicated the existence of squatters and adverse impacts on livelihoods.</td>
<td>02/2021</td>
</tr>
<tr>
<td><strong>ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</strong></td>
<td></td>
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<tr>
<td>Carryout screening</td>
<td>02/2021</td>
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<tr>
<td><strong>ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</strong></td>
<td></td>
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</table>
Develop an Indigenous Peoples Plan (IPP) if such communities exhibiting characteristics mentioned in ESS7 are found in the project intervention areas per assessments 02/2021

ESS 8 Cultural Heritage

Include chance finds procedures in works contracts 04/2021

ESS 9 Financial Intermediaries

Ensure that both wholesale and retail MFIs prepare, adopt, and maintain their Environmental and Social Management System (ESMS). 03/2021

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? In Part

Areas where “Use of Borrower Framework” is being considered:

The use of Borrower Framework will not be considered for this project. The project will meet both the requirements of the Government of Bangladesh and the relevant World Bank ESSs.

IV. CONTACT POINTS

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Borrower/Client/Recipient
Borrower: People’s Republic of Bangladesh

Implementing Agency(ies)
Implementing Agency: Department of Public Health Engineering (DPHE)
Implementing Agency: Palli Karma-Sahayak Foundation (PKSF)

V. FOR MORE INFORMATION CONTACT
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VI. APPROVAL
Task Team Leader(s): Aneeka Rahman, Deo-Marcel Niyungeko, Rokeya Ahmed
Practice Manager (ENR/Social) Christophe Crepin Cleared on 04-May-2020 at 10:45:55 EDT
Safeguards Advisor ESSA Agnes I. Kiss (SAESSA) Concurred on 15-May-2020 at 17:02:18 EDT