Ministry of Foreign Affairs

Activity: Climate Resilient and Sustainable WASH (22-0000016)

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Contents

Key data **4**

Activity basics 4

Activity details 4

Accounting data 4

Policy data **5**

Beneficiary location **6**

Policy Appraisal **7**

Policy relevance 7

Rationale 7

Contextual analysis 8

Added value 8

Lessons learned 9

Problem analysis 10

Gender 10

Climate change 10

Cooperation, harmonisation and alignment 10

Digitalisation 11

Additional remarks (if applicable) 11

Results **13**

Water 13

Monitoring and evaluation **16**

Monitoring 16

Evaluation 16

Finance **17**

Budget breakdown (as per bemo) 18

Earmarking 19

Prepayments 19

Available resources 19

Grant with a repayment obligation, loans, equity investment or guarantee 20

Audit opinions 20

Key data

Activity basics

Type	Standard
Short name	Climate Resilient and Sustainable WASH
Contract party	IrRC (Inter. Water & Sanitation Centre) (30012735)
Contract party	Brac (30016204)
ODA	Yes
Amount EUR	3860270
Start date	01-11-2022
End date	31-12-2026
Full name	Equitable and Sustainable Water Supply, Sanitation and Hygiene Services in Climate Hotspots of Bangladesh
Summary	The project will (i) develop and implement a contextualised microcredit model for safely managed WASH services to adapt to extreme climate events in 4 climate hotspots; (ii) strengthen WASH supply chains and develop an entrepreneur-based operation <(>&<)> maintenance model including context specific appropriate technologies for climate hotspots and (iii) support local government institutions to roll out the WASH pro-poor strategy and to strengthen the local subsidy mechanisms for those who does not have access to WASH. All together the proposed activity will serve around 1 million community members and students in 45 sub-districts under 4 climate hotspots with an ambition to ensure quality and sustainability in WASH which will further contribute to achieve the targets under SDG 6.

Activity details

Date of receipt of proposal	02-10-2022
Proposal's reference number	
Budget holder	Ambassade Dhaka (8241DHA)
Limit access	No
Related activity	29333

Accounting data

SAP application number	4000005904
Funds center	DHA BD Integ water managem contribution (1702U02030003)

Policy data

Cooperation modality	Project support
Technical assistance	Less than 10 % of the activity budget
CRS code	14030 Basic drinking water supply and basic sanitation
Policy Keywords	
Refugees & host communities	No
Team Europe Initiative	No
Policy Markers	
Biodiversity	Significant
Equality between men & women	Principal
Drinking water and sanitation	Significant
Environmental protection	Significant
Good Governance / participation	Significant
Human rights	Significant
Integrated water management	Significant
Explain your choices	Aanpassing Policy markers ivm CRS++ DAC

Beneficiary location

Beneficiary location	Country
Country	Bangladesh
Location type	
Specific location	

Policy Appraisal

Policy relevance

- What policy objectives, as set out in the annual plan, policy notes etc., will this activity contribute to?

The activity is in line with former Minister Ploumen's SDG commitment to provide an additional 50 million people with access to sanitation and 30 million people with access to clean drinking water by 2030. The project aims to ensure sustainability of the gains of BRAC WASH I, II and Integration programs, previously funded by the embassy. To realise this, BRAC - with support from IRC - will take seven approaches under three pathways:

1. Strengthening financial services for HHs and entrepreneurs through MFIs
2. Grants support for hard core poor people in extreme need from project fund
3. Strengthening WASH Services and hygiene education in Schools
4. Strengthening WASH services through Entrepreneurs
5. Private sector engagement through formal Banks and MFS
6. Climate resilient technology innovation
7. Capacity strengthening of LGI for strengthening WASH services

The project will engage local entrepreneurs to provide WASH services at the rural level to ensure the facilities which has been delivered remain functional. This will contribute to DHA's PSD ambitions to support local private entrepreneurs becoming more active in the WASH service delivary. More financial institutions e.g. Bank and Microfinance institutes (BRAC and others) will also be engaged to create linkages between financial institutes, private service providers, local WASH actors (LGIs) and the community itself. Furthermore, the activity will contibutes to DHA's ambitions related to gender equality, climate adaptation, localization and sustainability of results achieved in the past.

Rationale

- What issue/problem will be addressed by the activity?
- Why does the activity help to address the issue/problem?

  For ODA activities over EUR 250.000, please explain the Theory of Change

Bangladesh is one of the most vulnerable countries to the impacts of climate change due to its low-lying deltaic landforms and proximity to the Bay of Bengal. Therefore, climate change and its consequences are a critical hindrance to the vision of sustained socioeconomic growth of the country. With the evolving climate change, Bangladesh has been frequently facing extreme climatic events, such as erratic rainfall, flooding, drought, sea-level rise, cyclones, and salinity intrusion. Climate change will worsen many of the current problems and natural hazards that the country faces. Rainfall is likely to change, with more erratic pattern in the future. The western parts and drought-prone areas of the country will be at greater risk from droughts. The extent of flood intensity from cyclonic storm surges is likely to increase. The rising sea level, along with cyclonic storm surges, will increase the intensity and extent of coastal flooding, accelerate salinity intrusion, and hinder freshwater availability [1]. Thus, climate change is a major threat to Bangladesh's aspirations to ensure food security, poverty alleviation and sustainable development. This project will target four climatic hotspots also in the Delta area for intervention. Based on rapid assessment and previous programmes implementation experience by BRAC WASH in these areas the 45 upazilas are selected.

The previous EKN-BRAC integration project revealed that households and WASH entrepreneurs lack access to mainstream finance (commercial banks). Microfinance institutes fill the gap and pave the way for mainstream finance. However, finance alone does not solve the problem. Deeper understanding of SDG steers to a stronger focus on quality. In climate affected areas, achieving quality of services is even more difficult. BRAC has planned the activities based on its learning from past years.

[1] https://iopscience.iop.org/article/10.1088/1755-1315/423/1/012001

Theory of Change:

The project will follow three pathways to achieve sustainable and inclusive WASH services for people in Bangladesh Delta hotspots. Learning from previous interventions showed that access to finance, supply chain strengthening, and a supportive enabling environment is crucial when aiming for improved water and sanitation services for everyone, including the poorest. The pathways are:

1. Developing a contextualized micro-finance model to increase access to finance for WASH
2. Strengthening the WASH supply chains and markets
3. Strengthening local government institutions (LGI) in implementing the pro-poor strategy

BRAC and IRC will collaborate with the NILG (National Institute of Local Government) and support them to better execute their mandate to implement the pro-poor strategy; support in contextualising guidance; to identify capacity gaps and how to address these. This includes active engagement with women and the marginalised to include them in decision-making processes concerning water and sanitation priorities. More households without access to finance will gain first time access to safe water supplies and improved sanitation, and more local government institutes are able to plan, allocate and use financial resources for water and sanitation.

A simplified theory of change of the project can be found on page 16 and a detailed one on page 56 of the proposal (posted below).

Contextual analysis

- Who is/are the target group(s) and why?
- Who are the other main stakeholders?
- To what extent have stakeholders been involved in formulating the proposal?
- Is the intervention aimed at a specific geographical location, and if so, why?

Target Groups: In total, the project plans to serve 1 million community members and students through safe water and sanitation (basic minimum) services in four climatic hotspots. As per population census 2011, total population in the selected 45 upazilas under 14 districts under the project is about 10 million people and the project has targeted 10% of the total population. The project will identify unserved and underserved pocket areas/communities where the safely managed WASH services are inadequate such as to indigenous people in barind, fisheries in costal/haor, etc. 67% people will be reached through loan whereas 5% and 17% beneficiaries will be covered by grants support at HHs and schools level respectively. The students of the schools have been considered as beneficiaries and the total number of students are divided into 2 parts as water and sanitation beneficiaries.

Stakeholders: This project aims for three-fold collaboration with different stakeholders. First within BRAC, specially, BRAC's IDP and UPGP programmes. Similar to the previous BRAC WASH projects, this project also will collaborate with six different BRAC programmes who are already working and envisaged to incorporate the activities to achieve the goal of this project. Secondly with private sector who will be able to expand their business directly with a wider customer base as for the beneficiaries. Formal bank financing for rural entrepreneurs would broaden their scope. Besides, IRC, Knowledge partners like ITN-BUET and other sectoral partners will be invited to participate in the knowledge sharing seminars. For developing operation & maintenance models, it is looking forward to partnering with platforms like the Netherlands Enterprise Agency (RVO), Aqua for All, Finish Mondial who finance such technology and business models.

Thirdly with government -both local and natioanl level. While WASH programmes closely work with local governments to implement different projects at community level, this project aims to create more effective collaboration with the LGI members. The project will work with the National institute of Local Government (NILG) to prototype the capacity building model for other Union Parishads. It will maintain close collaboration with DPHE at central and field level for the implementation of project activities and innovation of new context specific technologies in all four delta hotspots.

Specific Geographical Location : The project targets 45 sub-districts in four climatic hotspots for its intervention, based on rapid assessment and previous programmes implemented by BRAC. The proposed project chose these sub-districts of Coastal, Hoar, Barind and cross-cutting areas for the intervention. Annex 2 of the proposal shows the specific subdistricts and their distribution in these different climate hotspots. Coordination with and learning from other BRAC Programmes, such as Climate Adaptation Programme is part of the wider knowledge and sharing around the intervention and models to be developed. There will be a strong liaison with microfinance; and opportunities will be explored with formal banking and Mobile Finance Services. In addition, the supply chain for water and sanitation services will be strengthened through supporting entrepreneurs in adapting and contextualising climate resilient technologies. To ensure take up and continuation beyond the programme and to start addressing the transition from low to middle income country, the project will actively engage with Local Government for capacity building, implementation and sustainability.

Added value

- What is the added value of the Dutch government being involved in relation to other donors, the EU, NGOs and local authorities?
- Are the recipients making an own contribution or co-participating in the activity, and if so, to what extent?

The added value of the program for the Dutch government relates to the sustainability of the high number of beneficiaries from past and present projects. This sustainability objective is in line with the new MACS (2023-2026) in which a phasing out of ODA projects is envisaged by 2030. Involvement of IRC is appreciated to assist BRAC and other partners in MEL activities and linkages to sustainability clauses (DHA has requested BRAC and IRC to establish a sustainability framework ensuring facilities will be functional untill 10 years (after project start). The involement of private entrepreneurs and accessibility of micro-finance is an area that DHA has picked up recently; activities have been initiated with MAX, SNV, Aqua for All and Finish Mondial. IFIs (most notably World Bank) and Local Authorities (PPP office) value these initiatives and incorportae (elements) in their own activities. Overlap or conflicting interests with programmes by developments partners have not been detected yet; however, DHA has specifically instructed BRAC to ensure optimization and linkages with similar interventions.

Co-contribution: The total budget of the project is proposed is BDT 742,061,993, of which DHA contributes BDT 463,651,993 (63%). This will be distributed by BRAC (59%) and IRC (4%). Programme cost will incur implementation, human resources, admin, monitoring & evaluation etc.

Rest of the funds will be mobilised from external financial institutes like BRAC micro finance and BRAC Bank, and entrepreneurs, customers ustilizing micro-finance instruments. The mayority (34%) will be channelled as loan for the installation of WASH facilities by the households and WASH entrepreneurs.

As per the guideline of the Microfinance Regulatory Authority (MRA) of Bangladesh, the borrower will repay the loan with an interest rate of 12% in 12 monthly instalments. Similarly, WASH entrepreneurs will be entitled to receive a loan of BDT 200,000 - 500,000 for installation of WTPs/SaniMart from BRAC Bank/Microfinance. The entrepreneurs will also invest a similar amount of money for the set-up of WTPs/SaniMart. The loan repayment will be the same interest and tenure as stated for the households. The project calculated that 4% of the total budget will be Community Contribution in kind. GoB has a cost-sharing strategy (National Cost Sharing Strategy for Water Supply and Sanitation in Bangladesh, 2012) for providing support to install WASH facilities for the poorest quantile. Following this, BRAC has targeted an average 20% of cost-sharing by the ultra-poor communities. The community contribution will be documented in a separate registrar at the field level.

Lessons learned

- What lessons learned (from previous or comparable activities, published evaluations, relevant publications) will be addressed by the activity?

Since 2006, the BRAC WASH programme has played a significant role in making WASH services available to people in rural communities. With funding from DGIS, BRAC's rural WASH programme began in 2006 in 152 upazilas. The second phase of the rural WASH programme started towards the end of 2011 with funding from DGIS and BMGF. During that phase 25 additional upazilas were targeted bringing the total to 177 upazilas. During BRAC WASH III, which started in 2012, an additional 73 upazilas were targeted with funding from DFID and DFAT. The combined total of upazilas in which the BRAC rural WASH programme was implemented reached a total of 250 upazilas.

The assessment of the first ten years of BRAC WASH programmes showed excellent progress on rural sanitation access at scale, including a reduction of the class-based sanitation gap, was possible through three main interventions of the BRAC WASH programme: Community mobilisation linked with supply chain strengthening; Gender-specific WASH motivation, which included interpersonal communications at places and times suitable to different gender age groups and the poor(est): a redesign of the communication strategy, focusing on fewer practices and two-way communication; and the provision of toilet loans for the poor and grants for the ultra-poor.

The integration project succeeded in addressing the changing global development agenda from the MDGs to SDGs. The Integration Project was thus planned for the same 250 upazilas in which the previous WASH programmes had been implemented, with the aim to sustain the gains made in the previous years, in addition to increasing the coverage.

The integration project revealed that households and even WASH entrepreneurs lack access to mainstream finance (commercial banks). Microfinance institutes fill the gap and pave the way for mainstream finance. However, finance alone does not solve the problem. Deeper understanding of SDG steers to a stronger focus on quality. In climate affected areas, achieving quality in service is even more difficult.

Durign the impelmentation of integration project, MTR was conducted and suggested the following recommendations

- Focus on clients of MFP (loan recipients) and UPGP (grant recipients) by providing adequate technical support/advice
- Focus on providing adequate technical support/advice to ensure that appropriate sanitation facilities are constructed
- Focus on active engagement with local government authorities well beyond information exchange
- Focus on promoting service models that work. Utilizing existing platforms to promote successfully piloted low-cost solutions
- Revisit reporting requirements (logical framework), focus on outcomes and align with data available on the ground
- Move beyond awareness raising and demand creation and focus on interactive problem solving with the have nots
- Whenever loans or grants are made available adequate technical advice should be provided to the loan and grant recipients, for example

Based on the above recommendations, this activity has been desigend which will realize those through the following measures.

- The project will evaluate, and design or tailor specific microfinance products for the loan recipients. It will also give training to the existing and new entrepreneurs (service providers) and connect them with loan and grant recipients as well as with the trained entrepreneurs.
- In addition to training of sanitation entrepreneurs, field engineers are added to the teams to check whether facilities are up to standard.
- Collaboration with National Institute of Local Governments to strengthen the local systems related to monitoring, planning, and budgeting; and finetune the way of working (models) in a number of selected Union Parishads as pilot. The good practices will be documented and shared for uptake in other UPs.
- The project will focus on adapting existing climate specific technologies for the WASH entrepreneurs (rather than developing and promoting new models). It will engage organisations like DPHE, NILG and other LGIs in the trial/adaptation process and share the model(s) with the wider stakeholders as a best case.
- This project has developed a logical framework following the theory of change with clear outcomes. The team will develop a monitoring/reporting framework during the inception phase of the project. This will allow the project to track the progress and journey towards achieving the outcomes
- Sanitation entrepreneurs will be trained for such technologies, BRAC WASH field engineers will also support the households (loan and grant recipients) in receiving the appropriate and quality technology.

Problem analysis

- Please explain the Theory of Change

The ToC is posted below and has been explained in the Rational chapter.

Gender

- Does the proposal include a gender analysis?
- Does the proposal justify the target group's gender-specific interests and needs (and why)?
- Have women and young people been included in the stakeholder analysis?

The activity has been designed in consultation with gender team of BRAC. Gender result framework has been shared with BRAC to mainstream gender element in the overall proposal and set up target on gender component to be achieved through activities. It will particularly contribute to the first three impact areas of the results framework: 1. Women and girls enjoy the right to a life free of violence 2. Women exercise political power and leadership 3. Women are empowered as economic actors. The following outcome indicators focusing on gender are to be achieved by the activity.

- Number of demonstrable changes in values, norms and behavior at the levels of individuals (women, men, unspecified) regarding the elimination of violence against women and girls (1.4).
- Number of times that CSOs and women's rights organizations contribute to - agenda setting, - influencing the debate, - creating space to engage - movement building regarding women's participation in politics, policy, legislation and governance (2.2)
- Number of demonstrable changes in values, norms and behavior at the levels of individuals (women, men, unspecified) regarding women's economic empowerment (3.4).

Moreover the project will generate disaggregated data for the households, entrepreneurs and Union Parishad members which will contribute to output indicators of the results framework. In the implementation phase a monitoring framework will be developed in close collaboration with EKN to optimize synergy with and contribution to the Gender Results Framework.
The project also specifies following activities based on the target group's need and interests.

- The sustainable, gender-inclusive WASH technologies will be installed at households and community level considering the geo-hydrological context. Priority will be given to female headed households for the grant support (45% of the grant is expected to go to women-led households).
- Another focus area is making the service user- friendly for women, children, elderly and differently abled people. The WASH entrepreneurs will be oriented to select and install the WASH technologies considering the need of women, children, elderly and differently abled people. To do so, WASH and Micro Finance staff (15% and 25% of them will be women respectively) will be trained on gender, equity and social inclusion so that they can pass the knowledge to the existing and new WASH entrepreneurs.
- In design and installation of WASH facilities at schools, special attention will be given on ensuring gender segregated sanitation facilities along with incorporating menstrual hygiene management (MHM) facilities if missing in girls' latrines, safe water supply and improved hand washing stations.
- School based campaigns (observation of global handwashing day, soap drive, napkin drive, etc.) will be organized for dissemination of hygiene massages among the students and spill over to communities through child to adult approach.
- Particular focus will be given on raising awareness and strengthening capacity of the councilors on the impact of gender, equity and social inclusion for improved water and sanitation services.

Climate change

- Does the proposal include an analysis of the possible effects of climate change on the activity or its results?
- Does the proposal include any interventions to combat these effects (adaptation/mitigation)?

One of the key pillars of this activity is to address climate change challenges in the WASH sector and make the facilities and infrastructure more resilient. Climate change has already damaged WASH facilities in several areas and thus the total cummulative results in WASH is under threath. In recent times, more extreme climatic hazards and catastrophic events are observed. Based on that, BRAC made a thorough analysis about the potential impact of climate change on WASH. From this analysis, BRAC considered only four hotspots, i.e. coastal, haor, barind and floodplain. It is important to mention here that in the BDP2100, Bangladesh has been segregated into 7 hotspots. Out of those, the project is targeting 4 hotspots. A summary of analysis of the possible effects of climate change on WASH interventions and potential interventions is given below. Please note that the interventions will be assessed further and selection will be done jointly by BRAC and IRC as IRC is a technical partner of BRAC in this activity.

Cooperation, harmonisation and alignment

- Does the activity involve cooperation with Dutch organisations, the EU or other donors (including delegated cooperation), local organisations or other parties?
- How does the activity contribute to harmonisation and/or multi-donor financing?
- What is the degree of (policy and financial) alignment?

Besides extensive collaboration with various BRAC initiatives as identified in point 5.2: 'Coordination with other BRAC programmes and (other) partners (page 43-46)', the E&S WASH project will collaborate with Dutch tech service providers working in WASH sector. This will be mainly for developing WASH business model and incubating new ideas with financial arrangements. Currently, UNESCO-IHE, WUR, PRACTICA, Rain Foundation, 1001 Fontaines and Groundfos are in the primary list.
The project will coordinate with LGIs and capacitate and motivate them to actively engage in WASH service delivery following the GoB per pro-poor strategy. The project further envisions working with the National Institute of Local Government (NILG) to prototype the capacity building model for Union Parishads to roll out countrywide.
Project partner IRC will support BRAC in identification of the climate resilient products and developing training and orientation material for WASH entrepreneurs. The project will adapt climate resilient WASH technologies from the local sector where available, and also will look into the Dutch water sector - Deltaplan partners and beyond.
The project will work through a sub-district approach with focus on the climate hotspots. These are often hard-to-reach rural areas, where the number of marginalised (marginalised due to poverty, disability, indigenous people, caste, geography etc.) people are higher**[1]**. The project is primarily about strengthening WASH services in climate vulnerable areas. Thus, to reach the people in need, the project will focus mainly on rural areas.
During the selections of the locations, the chance of overlap/duplication with other DGIS/DHA funded areas was carefully considered. The project development team already has individual consultation with SNV, WAI (WASH Alliance International), Max Foundation, Aqua for All and FINISH Mondial. The working areas of SNV, WAI (WASH Alliance International), and Max Foundation under DGIS/EKN funding are avoided for this project. FINISH and Aqua for All interventions are focused more on the entrepreneur model (and less on geography).
The project is well aligned with various national and international strategies as being depicted in chapter 4: Project alignment with national strategies. For detail - refer to page 39-42 of the project proposal.
[1] A methodology for mapping the marginalised communities can be found in this link https://watershed.nl/wp-content/uploads/sites/2/2020/12/Marginalisation-and-Exclusion-from-WASH-Services-final.pdf

Digitalisation

- Have proposed digital technologies been developed or chosen in collaboration with end-users?
- Does the proposal include an analysis of the local digital ecosystem?
- Is data security guaranteed?
- Are digital solutions locally sustainable/relevant?
- Is duplication avoided?

To adhere with digitalization process, the project will initiate the below interventions:
Management Information System (MIS): A template for MIS of the project will be developed based on the indicators of the proposed intervention. The data will be collected monthly from the field. The MIS system will capture brief overview of the project's activities, achievements and participation (sex disaggregated) etc. each month. This will help the management learn and adapt the activities and approaches according to need. Moreover, MIS will collect gender-disaggregated data to monitor how the different needs of men and women are being addressed and if their participation is being ensured.
Qualitative Information System (QIS): The situation at the baseline, as well as the outcome of the intervention at midline and endline will be measured through the WASH QIS. The findings of these evaluations will be used to measure the success of the intervention. QIS will also help quantify gender transformative changes taking place at the outcome level (e.g. use of latrines by different household members, availability of MHM facilities at schools, coverage of ultra-poor families etc.).
Open data: To ensure the open access and transparency, the programme will also report the project progress in IATI platform.
Data Quality Control (QC): The BRAC WASH QC team will periodically visit the project areas and will cross check the MIS data with actual field situations. Necessary measures will be taken to adjust the information/data, if required. BRAC MEAL (monitoring, Evaluation, Accountability and Learning) department will validate the entire programme data once in a year, which will contribute to ensure the data quality of this project.

Additional remarks (if applicable)

Results

Water

1.1. Drinking Water

Indicators
1.1.E. Number of people who gained access to safely managed drinking water, as a result of Dutch support
Measurements: Target: 106380

- Individual result: 73085
  Comment:
- Individual result: 257494
  Comment:

1.2. Sanitation & Hygiene

Indicators
1.2.E. Number of people who gained access to safely managed sanitation, as a result of Dutch support
Measurements: Target: 76081

- Individual result: 76081
  Comment:
- Individual result: 124987
  Comment:

3.1. Policy development and diplomatic outreach

Learning questions
What have we learned from this activity for policy development and diplomatic outreach?
Measurements: Why are the Water SMEs not developing / Growing?

- Individual result: The WASH business in not in the list of priority business / SME which are eligible for subsidized. This is a bottle neck of growing WASH especially water business.
  Comment:
- Individual result: While most Government representatives are aware of foundational frameworks and the relevance of WASH strategies, understanding of targeted docs e.g. the Pro-Poor Strategy is inconsistent, and implementation mechanisms or specific provisions lack clarity.
  Comment:

Indicators
3.1. What has been achieved by this activity on policy development and diplomatic outreach?
Measurements: The activity targets policy advocacy for enabling Water SMEs, enhancing their access to finance

- Individual result: BRAC outreached to policy level stakeholder to highlight the challenges faced by WASH entrepreneurs and informed necessary policy changes.
  Comment:
- Individual result: Coordination with 8 Union Parishads and Nat. Institute of Local Government strengthened local governance capacity for pro-poor WASH service delivery. Knowledge management efforts: 3 national consultation workshops, publications, Global Handwashing Day.
  Comment:

3.4 Capacity building and technology transfer (policy for knowledge)

Learning questions
What have we learned from this activity for Capacity Building?
Measurements: feasibility of climate resilient WASH in different climatinc zone / disaster hotspots

- Individual result: Updating the curriculum of NILG for providing training to elected public representative in LGIs would have sustainable impact.
  Comment:
- Individual result: Local government is influential at community level; their participation in community mobilization and awareness raising are vital. The lowest tier of local government plays a crucial role in implementing WASH services, yet management capacity is limited.
  Comment:

Indicators

3.4. What has been achieved by this activity on capacity building and technology transfer?
Measurements: Capacitating MFIs and Banks on designing and operating financial instruments for WASH. Capacitating LGIs for climate resilient WASH services, exploring appropriate low cost climate resilient WASH technologies.

- Individual result: 1,188 school management committee members received orientation on O&M of school WASH facilities. Established a linkage with the National Institute of Local Government (NILG) to capacitate local LGIs.
  Comment:
- Individual result: Lack of context specific, low cost and sus WASH technology. Local government is influential; their participation in community mobilization and awareness raising is vital. Lowest local government play a crucial role in implementing WASH services.
  Comment:

3.6. Market development and mobilizing additional financial means

Learning questions

What have we learned from this activity for market development and/or mobilizing financial means?
Measurements: Challenges and opportunity for MFIs and Banks to step into WASH business.

- Individual result: The WASH business in not in the list of priority business / SME which are eligible for subsidized. This is a bottle neck of growing WASH especially water business.
  Comment:
- Individual result: Achieving safely managed sanitation for ultra-poor households is expensive. WASH loan was not fully utilized. Price hike of essential materials and devices cause slow progress of installation of water treatment plants. Local leverage funds key to succes.
  Comment:

Indicators

3.6. What has been achieved by this activity on market development and/or mobilizing financial means?
Measurements: The activity also targets leveraging other financial resources for WASH.

- Individual result: BRAC has leveraged BDT around 1025m BDT including 1001 mBDT from BRAC MFI and the rest from community.
  Comment:
- Individual result: BDT about 146.4 Crore of fund leveraged from MF and community (self-contribution); among which 143.3 crore from MF and 3.1 crore as community contribution. 230 water entrepreneurs and 19 sanitation entrepreneurs received financial and technical support.
  Comment:

1. Improved access to Water, Sanitation and Hygiene (WASH)

Sustainable access to clean drinking water and sanitation and hygiene services is not only a human right, but also essential for the health of adults and children, and thereby for social-economic development. Our 2030 target is to provide 30 million people with sustainable access to safe drinking water and 50 million people with sustainable access to an improved sanitation service.

Learning questions

What have we learned from this activity for the result area Improved access to Water, Sanitation and Hygiene (WASH)?
Measurements: Are the people are taking WASH loan for building WASH facilities. Whether the MFIs have adequate capacities for designing and operating WASH loans. Technological alternatives for Climate Resilient WASH.

- Individual result: Access to finance is very important. Climate Resilient WASH technologies are not low cost. Involvement of LGI is very important for sustainability. lack of WASH knowledge among the MFIs causing delay/inefficiency in designing and operating WASH loans.
  Comment:

- Individual result: Sustainability measures of WASH are strengthened through: i) microfinance and community contributions; ii) establishment of community-based O&M mechanisms; and iii) integration of climate adaptation measures.
  Comment:

What has been achieved by this activity on the result area Improved access to Water, Sanitation and Hygiene (WASH)?
Measurements: The activity targets providing WASH facilities to ultra poor, capacitating MFIs, LGIs on WASH services, enabling environment for water business, strengthening WASH supply chain.

- Individual result: The project provided training to MFIs, helped the BRAC MFI to design WASH loan, leveraged BDT around 1025m BDT including 1001 mBDT from BRAC MFI and the rest from community. 152 WASH entrepreneurs received financial and technical support
  Comment:
- Individual result: 26,395 sanitation loans and 4,349 water loans were disbursed, resulting in 18,994 latrines and 3,298 water facilities. Grants supported the installation of 2,872 twin-pit latrines and 12 community piped water systems.
  Comment:

3.3. Knowledge development and research (knowledge for policy)

Learning questions
What have we learned from this activity for knowledge development and research?
Measurements: What are the policy measures for encourage the growth of water entrepreneurship

- Individual result: Low cost Draught prone and flood proof WASH are not known yet. Inclusion of climate and disaster resilient WASH in the training manual of elected people representatives of GLI would have a significant impact on sustainability.
  Comment:
- Individual result: Conducted: 3 consultation workshops on water & sanitation innovation and overall WASH sectorial issues; ii) Mid-term assessment of the project ; iii) 1 assessment document and 2 technology paper were published.
  Comment:

Monitoring and evaluation

Monitoring

- *Specify what reporting information is required for this activity, based on the activity analysis decision tree (see Help).*

Include the following elements:

8. *Planning versus realisation: tracking progress against predetermined objectives as laid out in the project proposal.*
9. *Performance and quality: checking relevance and appropriateness of the implementing organization's performance based on key assumptions in the proposal and the outcomes of the risk analysis.*

Pay attention to the method and frequency of monitoring and describe the roles and responsibilities. For further information, see Help.

Reporting:

- Annual Plan: BRAC will submit an annual activity plan for the preceeding year which should contains a clear overview of activities to be performed, an explanation of under/over performance compare to the original plan and rationnel of any adjustment required during the implementation of activities. It should also have a clear budget for the activities to be preformed in the proceeding year. This is also the moment to submit the financial request to the emabssy.
- Annual IATI narrative report: the partner will submit annual IATI narrative reports which should contains a brief explanation of the progrees of the activity. This will also mention the lesson learned from the reporting year. Besides, BRAC will also update the progress of all the indicators in IATI website which will help the embassy to track progress against predetermined objectives. Risk paragraph which has been mentioned in the proposal can also be updated in the annual report.
- Annual financial report and audit: The annual financial report will mention all expenses and income as per the agreed budget items in the proposal, carried out in the reporting year with further explanation of budgetary varience if any. As per BRAC policy, each year an audit will be conducted by an external party. The audit protocal will be shared with BRAC upon signing of the contract, which is to be followed to select the external party as well as to conduct audit.
- Mid term and End line evaluation: there will a mid term evaluation of the activity to be carried out by an external party. The ToR and selection of consultant/firm will be prepared and finalized after prior consultation with the embassy. During that evaluation, BRAC's role will be more like facilitator. This is also the moment to make necessary adjustment of program implementation if recommended by the MTR. End line evaluation will also be done by the external party to assess the changes which has been made through the implementation of the activity.
- Final Narrative and Financial report: both will report back about the whole implementation period as well as the last reporting year. There will be no seperate reporting obligations (narrative/financial) for the final year.

Meetings and field visits:

Apart from the above mentioned reporting protocol, BRAC will organize coordination and progress meeting with EKN twice in a year. There are other meetings at the local level with relevant stakeholders are also proposed in the project document. Progress of implementation will be monitored though regular field visits by EKN staff.

Evaluation

Describe whether a final evaluation and/or a mid-term review has been planned. If yes, state:

4. *who will commission the final evaluation and/or mid-term review (for options, see Help);*
5. *whether the procedure and practical arrangements have been agreed on with the implementing organisation (for details, see Help).*

Mid term and End line evaluation:

A mid term and end line evaluation is embedded in the original proposal. The procedure and modality of doing those are mentioned in the above section. The main focus for those evaluations would be (i) degree of sustainability of WASH facilities in the project areas, (ii) whether the WASH facilities provided through diffrent options are resilient with changing climate, (iii) whether the WASH technologies made available at beneficiary level are accectable by the local stakeholders, (iv) whether the project contributed to create enabling environment for WASH businesses al local level and (v) what extend LGIs are motivated and capable to release WASH budget to give support to pooer segment of the community.

Monitoring, evaluation and learning platform:

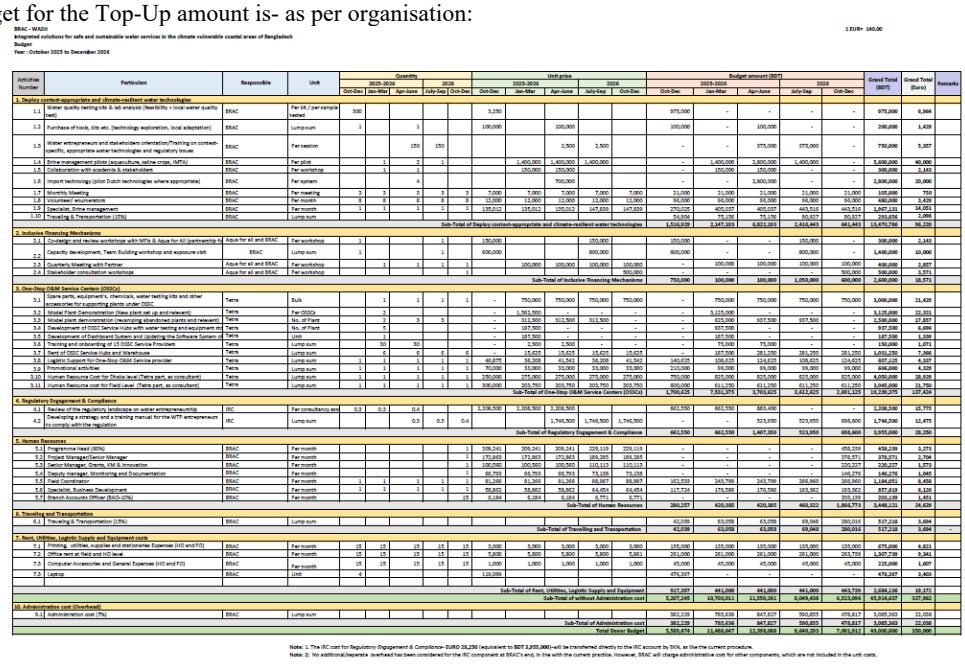
Like other activities, EKN will create a platform for WASH partners which will give them opportunity to share their experiences about WASH interventions and to learn form each other. This peer learning opportunity will give the partners the opportunity to avoid overlapping in terms of area selection or interventions. Initally, invitation to this platform will be confined within the organizations who are impelmenting WASH activites funded from the central and decentral budget. This will also help the embassy to ensure more coordination within the WASH activities. This platform will specifically aim at understanding opportunities for private entrepreneurship and access to finance within the WASH sector, as also mentioned in DHA's MACS (2023-2026). EKN will play a key role in this MEL process.

Finance

The summary of the top-up budget is:

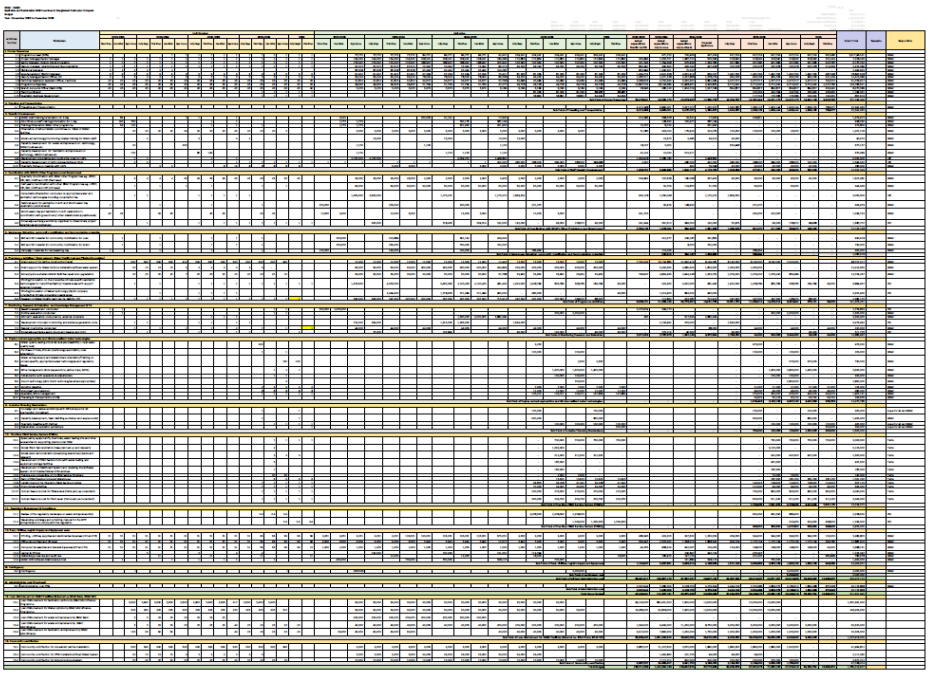
Serial Number	Particulars	Budget Amount		Remarks
		BDT	EURO	
1	Deploy context-appropriate and climate-resilient water technologies	12,861,586	91,868	
2	Designing Inclusive Financing Mechanisms	2,200,000	15,714	
3	Establishing One-Stop O&M Service Centres (OSSCs)	19,239,375	137,424	
4	Regulatory Engagement & Compliance	3,955,000	28,250	
5	Human Resources	4,143,153	29,594	
6	Traveling and Transportation	621,473	4,439	
7	Rent, Utilities, Logistic Supply and Equipment costs	2,628,612	18,776	
8	Administration cost (Overhead)	3,350,800	23,934	
	Total Budget	49,000,000	350,000	

Detailed budget for the Top-Up amount is- as per organisation:



Serial Number	Particulars	Budget Amount		Remarks
		BDT	EURO	
1	Deploy context-appropriate and climate-resilient water technologies	12,861,586	91,868	
2	Designing Inclusive Financing Mechanisms	2,200,000	15,714	
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8	Administration cost (Overhead)	3,350,800	23,934	
	Total Budget	49,000,000	350,000	

Combined total budget (current budget + Top-Up amount):



Budget breakdown (as per bemo)

- Include an overview of the activity budget, including overhead costs. *The summary budget is included here (see the image) which includes outcome wise budget as well as overhead, administrative and contingency budget. The detail budget is archived in the Sophia.*
- Is the budget arithmetically correct? *Yes*
- Are the amounts/rates in the budget acceptable? *Yes*
- Briefly explain the structure of the budget. *The total contribution from the embassy to the activity will be BDT 436.151.993 to BRAC and EUR 286.458 to IRC, mainly to incur cost of the programme implementation, human resources and admin, monitoring & evaluation, etc.. The beneficiary contribution to this activity will be BDT 27.810.000. Furthermore, BDT 250.600.000 will be taken up as loan through mobilisation of external financial institutes (BRAC Bank, BRAC MFs) by the facilitation of BRAC WASH programme. This loan money will be used for the installation of WASH facilities by the households and WASH entrepreneurs.*
- *The agreement will be signed between the embassy and BRAC. BRAC will subcontract IRC for their technical advice to the program. Since transferring EUR to IRC from Bangladesh is complex and not feasible, it has been agreed with BRAC and IRC to transfer funds for their part directly from the embassy to IRC. IRC will receive advance payments which will be accounted for after delivering the services earmarked. IRC will submit their financial reports (invoices) to BRAC and after review and approval of those financial statements, BRAC will send these to the embassy with a request to release the next tranche to IRC.*
- Are overheads proportional to outputs? What is included? What is recharged? *Yes. About 7% of EKN's contribution (4% of overall budget) is allocated as overhead cost. As per the BRAC overhead charging policy, the programme/project budget is greater than BDT 10 million, applicable overhead to be considered as 7% or higher. In case of programme/project budget lesser than BDT 10 million, applicable overhead to be considered as 10% or higher. This 7% overhead cost will cover operational expences required for running the activity which includes HR cost, Internal Audit cost, Administration cost, Evaluation cost, Logistics, Utilities, Procurements, Office rental etc.*
- Is implementation conditional on the budget being amended in an inception phase? (Specify the requirements that the budget must satisfy and the date by which the budget must be amended) *Not applicable as there is no inception phase in this activity. Since the budget is aligned with outcomes/outputs, changing of budget requires to have a clear rational and consideration of revising the scope of works. As per the reporting obligations, BRAC can propose to the embassy for budgetary change during the submission of annual plan and budget.*
- Is the budget suitable as a management tool (linking outputs to budget)? *Yes, during the implementation of the activity this budget will be used as a management tool. The budget has been elaborated per output and outcomes. Therefore, the budget can be used as monitoring and management tool during implementation of the project.*

Earmarking

10. Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why. *The embassy contribution is earmarked to the specific output/outcome defined by BRAC. Dutch contribution is calculated as 62% of the total budget for the activity.*
11. *There is a provision of the contingency budget for an amount of BDT 5.000.000. The use of contingency budget is subject to the prior approval of the Embassy and for the relevany purpose of the implementation of the project.*

Prepayments

- Based on the prepayment decision tree (see Help), do the payments need to be entered as prepayments and why? In the case of a lump sum, assess this against the applicable criteria and give the reasons for your choice. *The Minister will transfer the funds in advance in instalments not exceeding 95% of the total contribution. The first instalment of BDT 100.000.000 will be paid to BRAC within four weeks of receiving the signed agreement. The first instalment for IRC amounts to EURO 65.000 will also be paid within four weeks of receiving the signed agreement. Subsequent instalments will be paid on receipt of payment request from the other party on the basis of the progress of the activity and the liquidity needs the other party has indicated for a period not exceeding 12 months. The Minister will transfer the fund to IRC after receiving the recommendation from the other party on satisfactory completion of the assignned tasks. Payments will be registered as advance payment in SAP. The prefinancing will be considered as justified expenditures upon acceptance of annual narrative, financial and audit report from BRAC.*
- What is the maximum percentage that can be paid as prepayment, and why? *Maximum 95% of the total commitment can be paid in advance. The remaining 5% can be settled upon final determination of the expenditures on the basis of the final reports of the program. Approval of final narrative, financial and audit reports is the prerequisite to make this 5% payment.*
- Which are the reporting obligations on the basis of which prepayments can be closed? *Prepayments can be closed on the basis of the accepted narrative, financial and audit report.*

Available resources

	Foreign currency	**EUR**
Implementing organisation's own contribution (loan from BRAC BANK and BRAC MF)	BDT 250.600.000	
Firm commitments by other donors (**community contribution**)	BDT 27.810.000	
Dutch contribution (BRAC + IRC NL)	BDT 436.151.993 EUR 286.458	
Total available resources	BDT 714.561.993 EUR 286.458	
Budget needed	BDT 714.561.993 EUR 286.458	
Still to be financed	0	
Soft commitments by other donors	0	
Uncovered balance	0	

6. Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.? *The contribution to be received from the community will be non-financial. However, in the proposal this contribution has been computed in financial value.*
7. If there is an uncovered balance, how will this affect implementation of the activity (e.g. proportional reduction in outputs, omission of regions) and how will this affect the decision whether to fund this activity? *Around 34% of total budget is expected to be mobilized through BRAC Bank and BRAC MF program. The targeted programme participants (poor and non-poor) at households level will be entitled to receive a loan for up to a maximum of BDT 100,000 for water and/sanitation at a time from BRAC MF. As per the guideline of the Microfinance Regulatory Authority (MRA) of Bangladesh the borrower will repay the loan with an interest rate of 12% in 12 monthly instalments. Similarly, WASH entrepreneurs will be entitled to receive a loan of BDT 200,000 - 500,000 for installation of WTPs/SaniMart from BRAC Bank/MF. The entrepreneurs will also invest a similar amount of money for the set-up of WTPs/SaniMart. The loan repayment will be the same interest and tenure as stated for the households. A loan agreement will be signed between MF Institutions (MFI/Bank) and borrowers against the loaned amount to install WASH facilities at households and installation of WTPs through entrepreneurs as well as expansion of sanitation business by Rural Sanitation centres.*

An MoU has been signed between BRAC WASH and BRAC Bank in this regard. BRAC MF is quite advance in this context. They have started giving loan to beneficiaries for WASH since 2017.

Grant with a repayment obligation, loans, equity investment or guarantee

- Does the Dutch contribution take the form of a grant with a repayment obligation, a loan, an equity investment or a guarantee (either in whole or in part)? If yes, briefly set out the consequences for accounting and how correct processing in the financial records will be ensured. *The Dutch grant is without any repayment obligation and do not consist of any condition of loan, equity investment or guarantee.*
- Are there revolving funds? If yes, please explain what will happen to any residual funds, how closure will take place and which agreements should be made. *Not applicable*

Audit opinions

- Is an audit opinion required for the activity (see Help)? Briefly explain. *An annual audit by an external audit firm is mandatory both from the embassy and NGOAB side.*
- Should the audit opinion be accompanied by an additional auditor's report (for example, on the risks set out above, or on monitoring that the organisation carries out on its prepayments to other organisations)? *To conduct such audit, the audit protocol attached to the contract will be followed. Auditor will follow International standards to certify the annual financial statements. In addition, any reportable audit findings/observations which involves lack of internal control of the implementing entity or any risk or weaknesses identified of any outsourced partner entity; will be reported through annual audit. The audit will also follow the guidelines and requirements of the NGOAB.*