Ministry of Foreign Affairs

Activity: Sustainable Urban Water Cycles (22-0000012)

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Key data

Activity basics

Type	Standard
Short name	Sustainable Urban Water Cycles
Contract party	Stg. SNV Nederlandse Ontwikkelings- organisatie (30013111)
ODA	Yes
Amount EUR	6856975
Start date	01-10-2022
End date	30-09-2027
Full name	Transitioning to sustainable urban water cycles in Bangladesh : Zie verder aanvraagnummer 4000006601
Summary	The project aims to improve urban water services (sanitation, faecal sludge, solid waste and drainage) for 1.8 million people in 12 Pourashavas (cities). This contributes to DGIS' commitments on water management/WASH, and to the PSD agenda by enabling local private sector entrepreneurs to become commercially active in this sector. It also facilitates coordination between public institutions (DPHE, LGED, Pourashavas), private sector and customers/inhabitants . Envisaged outcomes: - Strengthened capacities within the DPHE and LGED - Increased professionalism and financial viability of urban sanitation and solid waste services - Strengthened governance, regulation, enforcement, and monitoring capacity at local levels - Strengthened performance, integration and circularity of treatment, re- use and recycling works - More responsive strategic communication towards consumers aimed at water and waste behavior - Improved capacity and preparedness for city-level floods and drought

Activity details

Date of receipt of proposal	19-07-2022
Proposal's reference number	n.a.
Budget holder	Ambassade Dhaka (8241DHA)
Limit access	No
Related activity	WASH SDG6 Consortium

Accounting data

SAP application number	4000006000
Funds center	DHA BD Integ water managem grants (1702U02030027)

Policy data

Cooperation modality	Project support
Technical assistance	Not applicable
CRS code	14050 Waste management / disposal
Policy Keywords	
Policy Markers	
Climate change: adaptation	Principal
Climate change: mitigation	Principal
Equality between men & women	Significant
Private sector development	Significant
Human rights	Significant
Research and knowledge	Significant
Access to education for girls	Significant
Good Governance / participation	Principal
Public sector reform	Significant
Rights of the child	Significant
Explain your choices	

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 directly contributes to BZ/IGG's art. 2 WASH ambitions on SDG6: 'by 2030, 50 million beneficiaries with access to improved sanitary facilities, and awareness about hygienic living conditions'. The activity will improve sanitation, solid waste and stormwater management services for 1,8 million beneficiaries in 12 Pourashavas.
The activity also algins with DHA's PSD ambitions by supporting local private entrepreneurs becoming active in this sector through establishment of relatively innovative PPP structures. This contributes to the new MACS localization, sustainability and digitalization ambitions.
Moreover, the activity contributes to gender and climate (adaptation and mitigation) policies.

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

The project addresses the (inadequacy of) urban WASH services, particularly for sanitation, solid waste and stromwater management, in 12 Pourashavas.
Sanitation remains one of the main threats to public health in urban centers. According to the latest Multiple Indicator Cluster Survey (MICS) report from 2019, only 64.4% use improved sanitation facilities which are not shared. However, only 1.9% of households use safe practices for the removal of excreta for treatment at onsite sanitation facilities. It is clear that Bangladesh still has a long way to go to reach the targets for safely managed sanitation that have been committed to under the Sustainable Development Goals (SDG 6). Solid waste is another major threat for water quality in Bangladesh. Approximately 25,000 tons of solid waste are generated daily in urban areas of the country, which represents 170kg per capita per year. The Bangladesh SDG Tracker does not report on Goal 11.6.1 regarding solid waste, and its 2020 report states only that ‘disposal of solid wastes in all the urban areas is inadequate’. According to other sources, an average of 55% of solid waste remains uncollected in urban areas, with collection efficiency varying between 37% to 77%, often congesting drainage systems causing floods during the monsoon season. Growing volumes of hazardous medical and e-waste adds to the burden on Bangladesh’s ineffective waste management system. Except for some pilot projects, waste is not segregated formally, which contributes to the piling up of waste and creates pressure on landfills that are not managed sustainably. Urban local government authorities are responsible for managing sanitation, solid waste, and stormwater systems, but these authorities lack capacity and commitment to identify and implement proper solutions. The interlinkages between the urban water cycle and the overall watershed requires broader cooperation between institutions and stronger policies.
Simultaneously, urbanization processes alter the natural water cycle; less infiltration, less evapotranspiration, more run-off and water logging. These processes are further aggravated by climate change, which in Bangladesh will lead to higher rainfall intensities and greater interannual variability. Service providers and city authorities need to adapt to this new reality, while at the same time expanding services, increasing service levels, and improving the performance of existing services.
ToC: the project is designed to support 12 pourashavas in this challenge in close collaboration with the two responsible national divisions (the Local Government Engineering Department (LGED) and the Department of Public Health Engineering (DPHE)) and private service providers. The project will professionalize sanitation services in 12 pourashavas (1,8 million beneficiaries) by working with central governments, local governments, private sector and beneficiaries on: 1) Governance, regulation and enforcement, 2) Finance and investments, 3) Behavioral change, 4) Services provision, 5) Treatment and circularity, 6) Flood and drought management. Gender and social inclusion, and Climate adaptation and mitigation are two crosscutting themes. This results in 'Improved access to safely managed sanitation and basic waste services, and an acceptable level of water-related risk' (Outcome) and 'Contribute to the health and well-being of 1,8 million people in 12 cities across Bangladesh' (Objective). The ToC assumes awareness resulting in political and societal will, prioritization generating revenue streams and financial investments, favourable conditions attracing private sector with investment capacity, minor upgrades and maintenace ensuring a basic level of urban infrastructure functionality, and commitment and willingness engaging women and low-income groups in decision making.

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?

The target group consists of the 1,8 million beneficiaries (inhabitants) in the 12 Pourashavas.

Stakeholders include:

- Local governments: 12 Pourashavas
- Central Government: LGED, DPHE (CWIS support cell), PPP authority (under PMO) and MAB
- Knowledge institute: ITN-BUET
- Private entrepreneurs

Local governments, central governments and the knowledge institute have been informed and consulted during the formulation phase. Based on this consultation, the 12 pourashavas have been selected. Because the commitment of those 12 pourashavas is critical for the execution of the project, separate MoUs will be concluded during the project's inception phase. In case the MoU does not materialize, the pourashavas will no longer be included and another one (nearby) may be included. To ensure early commitment by pourashavas (and MoUs being concluded), a 'Go / No-Go' decision will be taken during the project's inception phase.
The 12 Pourashavas have been selected on the following criteria: 1) larger cities (class A, to increase impact) that 2) are included in national GoB projects (to ensure infrastructure) and 3) with an existing faecal sludge treatment plant (to be able to start and outsource faecal sludge management services).

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 Netherlands and its NGOs, consultants, universities and experts enjoy a solid reputation in Bangladesh. This also applies for SNV that has been active in Bangladesh since 2006, and in this particular field since 2014. This contribution by DHA will further strengthen the Dutch reputation, and provides a good and practical example of 'locally-led BDP2100 implementation'. Important to note here is the engagement of the local private sector (PPPs); anticipating a phasing-out of centrally funded ODA activities in 2030, DHA is now preparing for local uptake of initiatives and responsibilities by local governments and private entrepreneurs. Especially the WASH sector provides good opportunities, which DHA has prioritized in its current portfolio (activities include Max Build Water Business and BRAC's Microfinance schemes). By 2030, DHA expects to entirely phase out its ODA WASH portfolio, assuming an uptake of responsibilities by local governments and the local private sector.
World Bank/IFC, ADB, Unicef, AfD, Danida and the BMGF are the most important DPs in this sector and have been informed. EU is not active in WASH. Apart from some large-scale infrastructure in Dhaka (by AfD, KfW and Danida), most donors do not yet engage private operators in WASH and sanitation services. Both World Bank and AfD have indicated their interest to learn from this initiative. At DPHE level, close collaboration wil be sought with the BMGF supported City-Wide Inclusive Sanitation Cell (CWIS).
Besides DHA's grant contribution, SNV expects to leverage 7,5 million euros during the implementation of the program (which will flow back into the services provision), consisting of the following contributions:

- Beneficiaries will be charged with fees for sanitation and solid waste services. The tariff structure will differ from Pourashava to Pourashava, and service to service. In some, beneficiaries will be charged a municipal tax that will be ring-fenced by the Pourashava to contract-out services to private operators. In others, beneficiaries will be charged directly by the private operators. (Total E 3,7 million).
- Pourashavas are assumed to increase their budget allocation for sanitation, including investments in equipment and infrastructures. Pourashavas also provide in-kind support, such as office space for the project. (Total E 1,3 million).
- National Government is also expected to provide (in-kind) support, for technical assistance and administration at central levels, and also for some investments in infrastructure. (Total E 1,8 million).
- Private sector will need to invest in staff, equipment and infrastructure before services may commence. Total E 0,6 million).

Lessons learned

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

SNV has been engaged in urban sanitation in Bangladesh since 2014, most recently under the IGG financed WASG SDG 6 consortium under which SNV has supported Bangladeshi municipalities to implement a wide range of business models. These models range from the operation of full city-led services, to engagement of the private sector, to leveraging investment for scaling. These experiences have provided extensive learnings, which have helped to improve the design of the business models and the contracts to engage the private sector. Chapter 3 of the proposal summarizes extensively the lessons learnt with regards to the business models, the sustainability of services, financing opportunities and leverage, behaviour change, planning, occupational health and safety, infrastructure performance and adoption to new and innovative technologies. A few highlights include:

- Although municipalities have the local know-how and have demonstrated that they can deliver good quality services, the available human resources and financial capabilities to improve and expand service coverage are limited. While some local governments are reluctant to engage the private sector in the delivery of municipal services out of concern

that they may not be able to guarantee quality services, experience in SNV-supported cities shows that private-sector engagement can increase the quality and performance of services. Although SNV has been successful in engaging private sector for sanitation services in our working cities, the actual involvement of formal private operators across the country is still limited.

- BCC campaigns to raise demand for FSM services is key to ensure a financially sustainable service for the new companies.
- An initial priority in Bangladesh is to achieve operational cost recovery, which means that inefficiencies need to be addressed and that an appropriate tariff structure is set. Tariffs should cover day-to-day operations and intermittent maintenance, whereas initial capital investment and asset renewal should be covered by other means such as taxes and/or transfers.
- Despite these achievements, it has proven difficult for the Government of Bangladesh to scale up urban sanitation to establish sustainable services. Infrastructure investments have not been managed effectively enough to prevent abandonment or mismanagement, and the availability of affordable safe services to citizens has not increased significantly.
- Key to the success of the project will be the ability to leverage resources available at the national level, alongside advocacy to change the design of projects and programmes. Both of these things can be achieved through good understanding of local needs and demands, coordination among stakeholders, and by learning from past experience and best practices.

Problem analysis

- Please explain the Theory of Change.

The project is designed to support 12 pourashavas to tackle the sanitation challenges in close collaboration with the two responsible national divisions (the Local Government Engineering Department (LGED) and the Department of Public Health Engineering (DPHE)) and private service providers.
The project will professionalize sanitation services in 12 pourashavas (1,8 million beneficiaries) by working with central governments, local governments, private sector and beneficiaries on the following outcome areas: 1) Governance, regulation and enforcement, 2) Finance and investments, 3) Behavioral change, 4) Services provision, 5) Treatment and circularity, 6) Flood and drought management. Gender and social inclusion and climate adaptation and mitigation are cross-cutting.
Within the project's Theory of Change, each of these outcomes works towards a specific area of systems change by influencing the capacity, way of working, and behaviour of individuals (inhabitants, city officials, political leaders, workers) and performance of institutions (city councils, departments, the private sector), and their collaboration through mechanisms such as the Town-Level Coordination Committee (TLCC) and City Sanitation Committee (CSC).
This results to the objective '*Contribute to the health and well-being of 1,8 million people in 12 cities across Bangladesh by improving access to safely managed sanitation and basic waste services, and an acceptable level of water-related risk*'.
The ToC assumes:

- Awareness resulting in political and societal will.
- Prioritization generating revenue streams and financial investments.
- Favourable conditions attracing private sector with investment capacity.
- Minor upgrades and maintenace ensuring a basic level of urban infrastructure functionality
- Commitment and willingness engaging women and low-income groups in decision making.

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 proposal does include a separate gender section (not really an analytical analysis). The project aims to increase women's degree of influence in municipal or ward level decision making on sanitation (OI #9). Their level of influence is measured against a classification (ladder) that distinguishes five levels from 'no participation' up to 'participation, influence and satisfied with the decision'. The method used for assessing/measuring women's actual level of influence is however not explained. Baseline- and target-values have not yet been determined and quantified and will be done during the inception phase.
Behavioral change campaigns (BCC) will reinforce the message of safe sanitation and hygiene linked to family and public health risks, mostly dealt with by women. It includes safe practices related to eg menstrual hygiene. SNV contributes to the development of the National MHM Strategy.
The target beneficiaries consist of the entire population of the 12 selected Pourashavas, including the women, children and marginalized groups. The activity's BCC activities will reach out to all groups alike, including the urban poor, and SNV strives to ensure its activities do not -unintentionally- affect any group in a negative way.

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)?

The proposal sets out -in general terms- the effects of climate change on sanitation and the urban water cycle. During implementation of the activity, more specific climate change scenarios will be developed and incorporated in the design of sanitation interventions in each of the 12 Pourashavas.

Climate Adaptation/Resilience:

The overall programme is aimed at increasing climate resilience of sanitation and waste services in the urban context, finding strategies to deal with too much, too little and polluted water. As flooding of toilet containments and dysfunctional toilet containments due to droughts, create specific risks for public health, there is a specific indicator on the *climate resilience* of this household level infrastructure (OI#15, Resilient Sanitation); this will be measured as part of the household survey, looking at the environmental safety of toilet containments under general conditions as well as annually occurring extreme conditions (flood, drought). Stakeholders (Pourashavas, entrepreneurs and beneficiaries) will be capacitated to strengthen the climate resilience in their parts of the sanitation chain.

The problems the project is addressing are around the disruption of the natural water cycle due to accelerated urbanization, which exacerbates the effects of climate change in terms of service disruptions, pollution and other water-related risks. The vulnerabilities are multiple, but essentially pivot around the climate resilience of infrastructure (both quality and siting), inappropriate O&M practices, lack of oversight and accountability, negative interactions between sanitation, solid waste and drainage, unaligned and ineffective communication towards users, lack of (or very deficient) services to the most vulnerable areas in the cities, limited preparedness to risk.

It should be noted that climate resilience is also part of other outcome areas such as the long-term investment plans (OI#2), the multi-stakeholder alignment in the city (OI#7), the performance of treatment/ disposal (OI#12) and the maintenance of drainage (OI#14).

Problems	**Vulnerabilities**	**Opportunities**
Flooding affecting on-site sanitation infrastructure, by intrusion of water into containments and spreading of faecal sludge over the communities.	OSS are not lined facilities and are not regularly emptied.	Technical solutions for resilient sanitation facilities and professionalized emptying services accessible to all. Awareness and capacity development of city officials.
	Inadequate solid waste management disrupts functionality of the drainage systems of the city	Indicator 14: timely maintenance of drainage systems.
Treatment facilities' functionality can be disrupted during intense cyclones.	Weak O&M manuals and budget allocation for repairs	Develop capacities and design comprehensive O&M manuals to quickly respond to repairs or put them back to operation. Sufficient budget allocation for O&M and emergencies.

Climate Mitigation:

The project expects to reduce emission of GHGs with sanitation and solid waste service delivery. The impact indicator #8 is "Annual GHG emissions within sanitation and solid waste service delivery (city level)". The objective is to measure this through Mt CO2 equivalents along the sanitation and solid waste chain respectively. This means at all stages including household level, transport of sludge/waste, and at the disposal/ treatment site. Recently more research has come out on how to measure emissions from on-site sanitation containments. As quantifying emissions is new for Bangladesh – and globally- the project will during the inception phase conduct a study to further detail the metrics. Baseline data on the type of containments and the practices along the service chain will feed into a model to estimate the GHG emissions.

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?

The project aligns well to relevant GoB sanitation policies, including:

- The National Policy for Safe Water Supply and Sanitation (1998).
- The Sector Development Plan for Water Supply and Sanitation (2011-2025).
- The Institutional Regulatory Framework for Faecal Sludge Management (2017).
- The Solid Waste Management Rules (2021, under the Environmental Conservation Act 1995).
- Finally, at local level, the City Corporation Act and Pourashava Act (2009).

DPHE's City-Wide Sanitation Cell (established with the support of BMGF) is the leading agency in Bangladesh for coordinating and monitoring (investments in) WASH service delivery outside the large cities. LGED is nationally mandated for development

of urban infrastructures. Both organizations are involved in the project and are mandated to safeguard alignment with other initiatives.
Related to DHA's priorities, it is worth mentioning that although the proposed intervention may not be specifically prioritized in the BDP2100, the project does support its objectives very well: improving urban water and sanitation services, by leveraging private involvement and finance. This is also included in the 8th FYP.
As such, the intervention aligns well with a number of urban investment projects, most notably by World Bank/IFC, IsDB and ADB. AfD (France) has expressed interest to partner in Sylhet, no formal agreements have been made yet.
IGG, DHA and SNV shall timely inform each other about a potential second phase of the IGG financed *WASH SDG6 consortium*; this activity is basically an upscaling effort of the results of that programme. Future overlap and duplication shall be avoided. No other NL or EU agencies are involved so far.

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?

The Integrated Municipal Information System (IMIS) is an integrated digital management tool that enables municipalities to plan, deliver, and monitor the professional delivery of urban services. The data-driven system helps strengthen governance and accountability mechanisms at local and national levels. The IMIS was conceptualized by SNV to professionalize FSM services and realize more sustainable urban water cycles.
IMIS anchors all data and service information on the holding code of taxpayers (their tax code) to facilitate the integration of multiple data and service streams. By applying the concept of a ‘One ID for all services’, the IMIS is a powerful digital tool that offers the potential for exponential growth.
The IMIS includes three main functions: 1) reporting through a service-based dashboard with KPIs; 2) management of urban services by digitizing the business process; and 3) planning and decision-making by leveraging spatial and real-time data.
The IMIS is operational in four municipalities in Bangladesh already (Jhenaidah, Khulna, Jashore, and Gazipur) and it is under development in two more municipalities (Kushtia and Benapole) and one water utility (Khulna WASA (KWASA)). Under the formulation of national government projects funded by the IsDB and ADB, the IMIS will be included in their target cities. The same IMIS is also proposed to be introduced in the 12 targeted Pourashavas under this project.

Additional remarks (if applicable)

Results

Water

1.2. Sanitation & Hygiene

Indicators
1.2.A. Number of people who gained access to an upgraded sanitation service, as a result of Dutch support.
Measurements: Target: 700000

1.2.D Number of people who gained access to basic sanitation, as a result of Dutch support
Measurements: Target: 392134

1.2.E. Number of people who gained access to safely managed sanitation, as a result of Dutch support
Measurements: Target: 128998

- 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: We had/have several activities to encourage private sector to engage in WASH and we mostly achieved small private sector in local area. But bringing actual private sector, big/national lavel is still yet to happen. We need to learn why and how.

- Individual result: The project will prioritize scaling up promising innovations, deepening engagement with Local Government Institutions through NILG, strengthening loan utilization mechanisms, and expanding targeted support for ultra-poor and marginalized households.
  Comment:

Indicators
3.1. What has been achieved by this activity on policy development and diplomatic outreach?
Measurements: Currently the municipalities lack institutions to enable condition for private sector to take up the WASH services. This activity targets to bring changes in current policy and institutional behavior.

- Individual result: Assessment on the Union Parishads capacity to deliver sustainable WASH services. Knowledge gaps and areas for CB are identified, e.g. application of national strategies at the union level. Capacity of Local Government strengthened on pro-poor WASH strateg
  Comment:

3.4 Capacity building and technology transfer (policy for knowledge)

Indicators
3.4. What has been achieved by this activity on capacity building and technology transfer?
Measurements: Strengthening governance and municipal capacity to ensure professionalism and financial viability of urban WASH services; integration and circularity of treatment, re- use and recycling works; responsive communication; and flood and drought management

- Individual result: 82 + 155 BRAC WASH staff training on WASH, project implementation, gender equity & social inclusion. 230 869 school committeemembers trained on WASH, O&M. 270 sanitation- and 36 water entrepreneurs received training.
  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: How to enhance the ability of municipalities as well as private sectors to access fund. Whether the PPP model for WASH services of municipalities are profitable and scalable.

- Individual result: BDT 146.4 Crore of fund leveraged from MF and community. Loans supported installation, repair of latrines, tube wells, rainwater harvesting systems, and other water and sanitation infrastructure, water quality testing and sanitation business development.
  Comment:

Indicators
3.6. What has been achieved by this activity on market development and/or mobilizing financial means?
Measurements: Key to the success of the project will be the ability to leverage resources available at the national level, alongside advocacy to change the design of projects and programmes.

- Individual result: WASH loan services across 228 branch offices in 45 Upazilas. 349 entrepreneurs received loan support from BRAC among them 119 was Rural Sanitation Centre. 2,203 poor people grant or safely managed water services and 13,962 poor people grant for sanitation
  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 has been achieved by this activity on the result area Improved access to Water, Sanitation and Hygiene (WASH)?
Measurements: Outcomes works towards a specific area of systems change by influencing the capacity, way of working, and behaviour of individuals, performance of institutions and enhancing their coordination mechanism. It targets 1,8 million people in 12 cities.

- Individual result: 18,994 latrines and 3,298 water options were installed or repaired. Grants supported the installation of 2,872 twin-pit latrines, exceeding targets, while 12 community piped water systems were established. The project reached 37,569 students in 74 schools
  Comment:

What have we learned from this activity for the result area Improved access to Water, Sanitation and Hygiene (WASH)?
Measurements: By 2030, DHA expects to entirely phase out its ODA WASH portfolio, assuming an uptake of responsibilities by local governments and the local private sector. This activity brings an opportunity to test hour assumption, explore challenges in this regard.

- Individual result: Despite external constraints, sustainability was strengthened through BDT 146.4 crore mobilized from microfinance and community contributions, establishment of community-based O&M mechanisms, and integration of climate adaptation measures.
  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:

- Planning versus realisation: tracking progress against predetermined objectives as laid out in the project proposal.
- 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:

- Inception phase report, including final selection 12 Pourashavas (MoUs), Results Indicators with baseline values and targets (where feasible), and an updated ToC with assumptions and risk analysis.
- Annual Plan (incl financial projections) and Annual Narrative (incl financial expenditures) reports. Reports shall report projections/progress referring to the selected indicators, status of assumptions from ToC, and provide an update of the risk-paragraph.
- Indicator values are to be uploaded in IATI (quarterly).
- Annual financial audit reports.
- Mid-term review and an end-term review (both by an external expert).
- Final financial and narrative reports over the whole project, this includes the last period, there no seperate reports over the last period are required.

See also reporting schedule under 'commitment'

Meetings:

At least annually, a coordination meeting will be held with participation from LGED, DPHE, PPP office, MAB and Pourashavas to review progress and discuss potential challenges for implementation and further up-scaling.

Evaluation

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

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

MTR and ETR

A mid-term and end-term are envisaged, by external experts. Both are to be arranged and commissioned by SNV, however, approval of ToR and selection of experts is subject to DHA approval. This has been agreed by SNV.

Important evaluation questions to include relate to 1) the level of involvement and engagement by private entrepreneurs and 2) the level of service improvement in the 12 Pourashavas. In case either the PPP contracts are not successfully concluded and / or do not result in a healthier urban environment, the project will not have achieved its principal goals. Other indicators may be reached up to a varying degrees across the 12 Pourashavas. However, in each Pourashava the conclusion of a PPP contract resulting in improved services delivery is conditional.

DHA Roundtables

Furthermore, sustainability of WASH services delivery is assumed to increase by engaging local private entrepreneurs in investing in and execution of O&M tasks in this sector. DHA and IGG are currently substantially investing in enabling BD's WASH sector to engage local private sector entrepreneurs. Various models are being introduced, for various parts of the water and sanitation value chains, resulting in a plethora of lessons to be learnt. EKN will take the initiative to organize a regular exchange and learning platform/roundtable to disseminate lessons learnt and best practices specifically on this entrepreneurial topic. This contributes to the localization and consolidation of WASH investments by 2030. Partners Max, BRAC, A4A, IRC, SNV, Finish Mondial will be invited to join.

Finance

Budget breakdown

- Include an overview of the activity budget, including overhead costs. The summary budget including overhed has been added (please see image), the detailed budget is available with the project proposal in Sophia.
- Is the budget arithmetically correct? The proposed budget is arithmetically correct.
- Are the amounts/rates in the budget acceptable? The amounts/rates in the proposed budget are acceptable and in accordance with the agreed budgetary framework between the FEZ and SNV.
- Briefly explain the structure of the budget. Please see detailed budget (summary, cost component and output based budget) with the project proposal. In the proposed budget there are 6.5% on program delivery cost and 8.5% indirect cost on overall budget; which is in accordance with the agreed budgetary framework between the FEZ and SNV.
- Are overheads proportional to outputs? What is included? What is recharged? Overhead is proportional to the output of the program and as per the agreed budgetary framework between the FEZ and SNV. 6.5% has been proposed to the overall budget as program delivery costs and 8.5% has been proposed as indirect cost.
- 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) N/A; in the annual planning and budget cycle budgetary adjustment can be proposed by SNV.
- Is the budget suitable as a management tool (linking outputs to budget)? SNV has followed the agreed budgetary framework and provided detailed budget as per cost component and also the output based budget. During the implementation of the project proposed budget can be used as a suitable and management monitoring tool and can be reconciled with the overall output and outcome.

Earmarking

- Is the Dutch contribution to the programme earmarked (i.e. reserved for a specific purpose)? If so, specify the reasons why. The Dutch contribution is earmarked to the specific output/outcome and the overall achievable result of the proposed program by the SNV.

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 Dutch contribution is >5 million Euro, therefore, an audit is obligatory on annual basis. The EKN will prefinance SNV on the basis of their liquidity projection on 12 monthly basis and our 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 SNV.
- What is the maximum percentage that can be paid as prepayment, and why? 95% of the total commitment can be prefinanced as advance payment; the remaining 5% can be settled upon final determination of the grant expenditures on the basis of the final reports of the program.
- 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		0
Firm commitments by other donors (for each donor)		0
Dutch contribution		6.651.975
Total available resources		6.651.975
Budget needed		6.651.975
Still to be financed		0
Soft commitments by other donors (for each donor)		0
Uncovered balance		0

- Are there any non-financial contributions relevant to implementation of the activity, such as deployment of volunteers, availability of buildings, materials, etc.? The concerned municipalities will provide their space for the operation and smooth functionality of the program.
- 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? The entire program budget (100%) will solely be funded by the EKN, there is no uncoverd balance in the proposeed budget.

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 consits any condition of loan, equity investment or gurantee.
- 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. There is no revolving fund.

Audit opinions

- Is an audit opinion required for the activity (see Help)? Briefly explain. Our grant is >5 million Euro; therefore, an annual audit is obligatory.
- 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)? An annual financial audit is obligatory. To conduct such audit the audit protocol attached to the Grant will be followed. Auditor will follow International standards to certify the annual financial statements. In addition, any repotable audit findings/observations which involves lack of internal control of the implementing entity or any risk or weaknessess identified of any outsourced partner entity; will be reported through annual audit. The audit will also follow the guidelines and requirements of the NGOAB.

EKN - Bangladesh Budget Summary

		Inception Phase	Year 2	Year 3	Year 4	Year 5	Year 6	Total EUR	
		01/10/2022 - 30/06/2023	30/06/2023 - 31/12/2023	01/01/2024 - 31/12/2024	01/01/2025 - 31/12/2025	01/01/2026 - 31/12/2026	01/01/2027 - 31/12/2027	01/10/2022 - 30/09/2027	%
I	Staff costs	100,324	355,764	706,658	726,770	672,025	377,676	2,939,216	46%
II.	Activity Costs	207,000	330,000	503,000	643,000	264,000	204,000	2,151,000	34%
III.	Travel	10,830	17,700	36,180	36,180	36,180	8,190	145,260	2%
IV.	Office Costs	21,647	18,815	37,629	37,629	37,629	28,222	181,571	3%
V.	Equipment	70,000	10,000					80,000	1%
VI.	Program Delivery Costs	26,637	47,598	83,425	93,833	65,639	40,176	357,308	6%
	TOTAL DIRECT COSTS	436,439	779,876	1,366,892	1,537,411	1,075,473	658,263	5,854,355	92%
VII.	Indirect costs	37,097	66,289	116,186	130,680	91,415	55,952	497,620	8%
	TOTAL COSTS	473,536	846,166	1,483,078	1,668,091	1,166,888	714,216	6,351,975	100%

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