SOUTH ASIA | Bangladesh | Social Global Practice  
IBRD/IDA | Investment Project Financing | FY 2016 | Seq No: 9 | ARCHIVED on 05-May-2020 | ISR41398 |

Implementing Agencies: Palli Karma-Sahayak Foundation, Government of Bangladesh, National Housing Authority

Key Dates

Key Project Dates

- Bank Approval Date: 05-Apr-2016
- Effectiveness Date: 20-Oct-2016
- Planned Mid Term Review Date: 31-Mar-2020
- Actual Mid-Term Review Date: 01-Apr-2019
- Original Closing Date: 31-Dec-2021
- Revised Closing Date: 31-Dec-2021

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to improve shelter and living conditions in selected low income and informal settlements in designated municipalities in Bangladesh

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

<table>
<thead>
<tr>
<th>Name</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Community Mobilization &amp; Planning</td>
<td>$14.80 M</td>
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<tr>
<td>Urban Community Improvements &amp; Upgrading</td>
<td>$17.70 M</td>
</tr>
<tr>
<td>Shelter Component and Lending</td>
<td>$18.00 M</td>
</tr>
<tr>
<td>Monitoring &amp; Evaluation</td>
<td>$0.50 M</td>
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<tr>
<td>Project Management, Training &amp; Capacity Building</td>
<td>$5.50 M</td>
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Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Unsatisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>High</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Implementation Status and Key Decisions

Overall Implementation Progress: There has been steady progress in the implementation of project activities since November 2019, and it is only in late March that all project activities have come to a standstill due to the national lock down imposed by GoB to prevent the spread of COVID-19.
Progress with NHA Component: NHA has been making steady progress on implementation, with 18 settlements (out of a proposed total of 22 settlements) comprising thirteen in Sirajganj and five in Cumilla, having started some of the key project activities - whether it be community mobilization, upgrade planning or subsequent engineering and construction activities.

The engineering design work for physical upgrades is being progressed for 11 settlements. A total of 23 contract packages have been prepared to date, out of which award of contract has been given for 16 contracts for implementation in 6 settlements in Sirajganj and one settlement in Cumilla. Survey work of 3 approved settlements in Narayanganj district is still on-going.

Prior to the Government’s enforced shutdown on March 26, 2020 due to the Covid-19 corona virus situation, construction work had started in seven settlements. In these settlements, four Community Based Contracts (CBCs) have been completed. No contracts remain under the tender process, however 11 contracts, amounting to US$ 3.12 million, are in the pipeline; 3 contracts are presently under evaluation, and 8 contracts under final review. The total value of awarded contracts, which are under various stages of progress amounts to US$ 3.36 million. The total value of these contracts and those that are under evaluation and review amounts to US$ 6.51 million. The estimated total value of these contracts, and those currently being prepared for another two settlements, is approximately US$ 7.50 million.

Progress with PKSF component: After the completion of the pilot phase, PKSF and its POs have started rolling out their flagship housing loan product for low-income groups. This seems to be working in a context where previous attempts by NGOs and Banks have not succeeded with a market-based housing loan service. PKSF has disbursed a total of BDT 679.0 million (USD 8.18 million) to seven POs, who in turn have disbursed a total of BDT 574.2 million (USD 6.92 million) to 2010 households in 13 towns. The total loan sanctioned for these borrowers is BDT 599.6 million (US$ 7.22 million) with an average loan size of around BDT 0.3 million (around US$ 3600). Households are using the loans for new construction (46%), repairs (32%), and extensions (22%). The percentage of loans disbursed to low-income households stands at 36.27%. So far, repayment rates for the housing loans have been around 100%.

Just like the rest of Bangladesh, the project work in the field came to a stand-still from 26 March onwards when the lock-down was imposed and travel restrictions came into effect. The project team will now continue to do preparatory work at home while the lock-down is in effect, and has started thinking of ways it can support the communities during the COVID-19 outbreak, and help with recovery efforts once it is possible to work in low-income communities again. It is expected that most of the communities targeted through this project are likely to be significantly affected both by the health pandemic, but also the economic repercussions of the lock-down.

Key follow-up actions for the next 6 months
Note: This 6 month period is from April to October which is during the annual monsoon. During this period little or no physical implementation or construction work is normally possible. In addition, it is unknown when the present COVID-19 lock-down will end or the social consequences of the disease outbreak. Thus, the proposed follow-up actions can only be for in-house preparation and design work.

- Plan for increase use of community based contracts (CBC) over national competitive bidding (NCB) contracts to provide cash for work for local residents.
- Procurement. Maximise contract packages to be prepared, procured and awarded ready for contract commencement directly after the monsoon in October or ending of the COVID-19 lock down, if later.
- CBCs construction supervision. With proposed increase in the use of CBC’s the technical capability of CBC work teams and CDC supervisors should be assessed and training provided if necessary.
- Solid waste management (SWM). Prepare and design a pilot project in a peri-urban settlement for the CDC, utilizing the settlement’s social capital, including market research for the SWM output products and a willingness-to-pay survey.

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**Risks**

**Systematic Operations Risk-rating Tool**

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
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<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
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<td>Substantial</td>
<td>Moderate</td>
</tr>
<tr>
<td>Macroeconomic</td>
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<td>Substantial</td>
<td>High</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
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<td>Substantial</td>
<td>Moderate</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>High</td>
<td>High</td>
<td>Substantial</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
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<td>High</td>
<td>Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>Substantial</td>
<td>Substantial</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
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<td>Moderate</td>
<td>Moderate</td>
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</table>
Results

PDO Indicators by Objectives / Outcomes

To improve shelter and living conditions in selected low income and informal settlements

►Number of beneficiaries in selected municipalities with improved housing (Number, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
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<td>9,128.00</td>
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<td>01-Jul-2016</td>
<td>08-Nov-2019</td>
<td>28-Feb-2020</td>
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<td>Comments</td>
<td></td>
<td></td>
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</table>

The latest figures available are till the end of February 2020.

►Number of beneficiaries in selected settlements with improved access to and quality of services (Number, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
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</thead>
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<td>3,400.00</td>
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<tr>
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<tr>
<td>Comments</td>
<td></td>
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</tbody>
</table>

Overall Comments

The latest figures available for the housing finance component are till the end of February 2020. The lock-down due to COVID-19 started from the 26 of March, so all activities for March could not be completed.

Intermediate Results Indicators by Components

Shelter Component and Lending

►Volume of Bank Support: Lines of Credit - Microfinance (Amount(USD), Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
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<td>6,077,579.00</td>
<td>11,591,545.00</td>
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<tr>
<td>Date</td>
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<td>08-Nov-2019</td>
<td>28-Feb-2020</td>
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<tr>
<td>Comments</td>
<td></td>
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</tbody>
</table>
### Percentage of loans disbursed to lower income categories (Percentage, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>28.00</td>
<td>36.00</td>
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</table>

**Date**

<table>
<thead>
<tr>
<th>Date</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jul-2016</td>
<td>08-Nov-2019</td>
<td>28-Feb-2020</td>
<td>31-Dec-2021</td>
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</tbody>
</table>

### Percentage of the housing loan portfolio at risk (Percentage, Custom)

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<tr>
<td>Value</td>
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<td>0.29</td>
<td>0.67</td>
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</table>

**Date**

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<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jul-2016</td>
<td>08-Nov-2019</td>
<td>28-Feb-2020</td>
<td>31-Dec-2021</td>
</tr>
</tbody>
</table>

**Comments:** This target has been successfully achieved since the percentage of the housing portfolio at risk is 0.67% so far. In other words, repayment rates for the housing loans have been almost 100% so far.

### Percentage of households in completed settlements that have taken housing loans (Percentage, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
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<th>End Target</th>
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</thead>
<tbody>
<tr>
<td>Value</td>
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<td>1.26</td>
<td>2.59</td>
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**Date**

<table>
<thead>
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<th>Actual (Previous)</th>
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<tbody>
<tr>
<td>01-Jul-2016</td>
<td>08-Nov-2019</td>
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<td>31-Dec-2021</td>
</tr>
</tbody>
</table>

### Number of housing loans disbursed (Number, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>1,350.00</td>
<td>2,010.00</td>
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</tbody>
</table>

**Date**

<table>
<thead>
<tr>
<th>Date</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
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<tbody>
<tr>
<td>01-Jul-2016</td>
<td>08-Nov-2019</td>
<td>28-Feb-2020</td>
<td>31-Dec-2021</td>
</tr>
</tbody>
</table>

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#### Community Mobilization & Planning

### Participation rate of settlement members in planning and decision making meetings (Percentage, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>95.00</td>
<td>95.00</td>
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**Date**

<table>
<thead>
<tr>
<th>Date</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Jul-2016</td>
<td>08-Nov-2019</td>
<td>31-Mar-2020</td>
<td>31-Dec-2021</td>
</tr>
</tbody>
</table>

### Percentage of beneficiary households that feel project investments reflected their needs (Percentage, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Urban Community Improvements & Upgrading

#### Number of beneficiaries of Community Upgrading Plans (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>2,376.00</td>
<td>6,730.00</td>
<td>15,000.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Jul-2016</td>
<td>08-Nov-2019</td>
<td>31-Mar-2020</td>
<td>31-Dec-2021</td>
</tr>
<tr>
<td>Comments:</td>
<td>The number of beneficiaries of community upgrading plans are based on the number of residents of seven settlements - Kobdas Para (329 HHs), Pramanikpara (215 HHs), Chowdhury Para (53 HHs), Shahidganj (299 HHs), Halim O Tara Bashati (289 HHs), Masumpur Pagair Para (219 HHs) in Sirajganj and Kazipara (275 HHs) in Cumilla, where some of the NHA work has already begun, in terms of land acquisition for the housing collective, or the start of community based contracts for improved paths and drainage, and National Competitive Bidding (NCB) contracts for construction of Sanitation facility sub-structure, improvement of existing roads or construction of new roads with drain, off-site drain, electrification works, public green area development and renovation of existing primary school building. <em>All construction sites and works related to construction are temporarily stopped due to unavoidable Force Majeure circumstances caused by Covid-19 impact.</em></td>
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#### Percentage of infrastructure works evaluated as of good quality (Percentage, Custom)

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<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
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<tr>
<td>Value</td>
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<td>100.00</td>
<td>100.00</td>
<td>70.00</td>
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<td>31-Mar-2020</td>
<td>31-Dec-2021</td>
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<tr>
<td>Comments:</td>
<td>All infrastructure works in Pramanikpara and Chaudhury Para have been inspected and found to be of good quality</td>
<td></td>
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#### Total number of community sub-projects completed (Number, Custom)
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<th>Actual (Current)</th>
<th>End Target</th>
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<td>4.00</td>
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<tr>
<td>►Number of sub-projects completed using NCB method (Number, Custom)</td>
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<tr>
<td>Value</td>
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<td>0.00</td>
<td>1.00</td>
<td>90.00</td>
</tr>
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<td>31-Mar-2020</td>
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**Data on Financial Performance**

**Disbursements (by loan)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
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<tbody>
<tr>
<td>P130710</td>
<td>IDA-57800</td>
<td>Effective</td>
<td>USD</td>
<td>50.00</td>
<td>50.00</td>
<td>0.00</td>
<td>19.56</td>
<td>30.40</td>
<td>39%</td>
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**Key Dates (by loan)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
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<td>30-Jun-2016</td>
<td>20-Oct-2016</td>
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**Cumulative Disbursements**
Restructuring History

Level 2 Approved on 16-Sep-2019

Related Project(s)

There are no related projects.