

I. EXECUTIVE SUMMARY

1. DWASA is responsible for operating and maintaining the: (i) water supply services; (ii) sewerage services and (iii) storm water drainage services of the city of Dhaka. This proposed project will focus on the water supply to the whole city population, including those that live in the slum areas and those in pocket areas that don't have a service from DWASA yet.

2. DWASA is facing increasing difficulties in maintaining an adequate level of water supply as a consequence of: (i) high system loss as a result of leaking pipes and house connection; (ii) depleting groundwater resource, 80% of the drinking water pumped to Dhaka comes from groundwater resources under the city and it is projected that 223 of the 431 PTWs in operation will have gone out of action by 2013 due to falling water table; (iii) a network of small diameter pipes designed for present situation where water from 430 PTWs are injected into the network at various points, but inadequate for future supply situation where water must be brought to the city from surface water sources outside the city; (vi) the lengthy procedures for developing additional sources of supply based on surface water. Meanwhile the population continues to grow, increasing the demand for services.

3. The performance of DWASA is constrained and inadequate due to a number of reasons, including: (i) Limitations of the WASA Act (1996); (ii) weak administrative and financial departments; (iii) poor O&M of the system; (iv) inefficient manpower management; and (v) top down management structure, stifling initiative and personal development.

4. The population tries to manage the poor supply situation by: (i) establishing individual underground storage tanks; (ii) use of suction pumps; (iii) negotiating deals with DWASA staff to have more water pumped to their area; and (iv) by boiling the water before drinking.

5. The Project will upgrade and expand the water supply system benefiting approximately 12.3 million people in Dhaka in 2015. The project consists of four components: (i) System rehabilitation, strengthening and expansion; (ii) supply augmentation; (iii) institutional development and capacity building; and (iv) demand control and public awareness.

6. The outcomes of the project will include: (i) increased quantity and quality of water supplied; (ii) improved capacity of DWASA to operate, manage and maintain the water supply system including new investments; (iii) adoption of improved management practices consistent with SDP-WSSB requirement for greater efficiency and sustainability of the water utility; and (iv) increased awareness among the beneficiaries towards water handling and conservation.

7. To be able to assist DWASA over a longer time horizon the Project has been structured for financing using ADB's Multitranches Financing Facility. The Project has been divided into the following six components of which only the first 3 components will be financed by ADB: Component-A: the entire network is rehabilitated; Component-B: network expanded to cover still unserved areas within DWASA service area; Component-C: construction of main distribution network to inject the treated water into the overall network; Component-D: construction of 500 Mld SWTP complete with intake structure and raw water transmission main; Component-E: additional DTWs and generators installed; and Component-F: construction of 225 Mld SWTP at Saidabad.

