

# **Local Government COVID-19 Response and Recovery Project (LGCRRP)**

PROJECT BRIEF FOR ULGI

SEPTEMBER 2022

## I. PROJECT DESCRIPTION

### A. Project Development Objective

The Project Development Objective (PDO) is **to strengthen urban local governments' response to the COVID-19 pandemic and preparedness for future shocks.**

### B. Project cost

	US\$	BDT
<b>Total</b>	301.33 million	2,555.25 crores
<b>WB (IDA)</b>	300.00 million	2,544 crores
<b>GoB</b>	1.33 million	11.25 crore

### C. Project closing date:

The project will be implemented over four fiscal years ending in **December 2025.**

### D. Project components:

The project consists of three components:

#### **Component 1: COVID-19 Response Grants (CRGs)**

(BDT 2440.12 crore)

This component will support, through the provision of COVID-19 Response Grants (CRGs), eligible ULGIs to finance sub-projects.

#### **Component 2: Implementation and capacity development support, digital technology, and project management**

(BDT 114.88 crore)

The project will finance activities to strengthen ULGIs' medium to long term capacity and preparedness to climate change, disasters, and disease outbreaks through Component 2.

#### **Component 3: Contingency Emergency Response Component (CERC)**

(0.00 crore)

The CERC will enable the provision of immediate response to an eligible emergency or crisis, as needed.

### E. Project beneficiaries

Project beneficiaries will include 30.55 million residents of **329 Pourashavas and 10 City Corporations** directly from the various activities funded through CRGs.

### F. Key features of LGCRRP

- **Flexible use of grants** to respond to evolving needs.
- ULGIs to prepare the plan for investments in a **participatory way.**
- Investments should **prioritize low-income communities** and **climate-resilient** development.
- **2% of the CRGs** can be utilized to hire consultants for planning, design, and supervision, other consultant services, incremental operating costs.
- Meet **eight (8) Minimum Conditions** to be eligible for grants.

## II. COVID-19 RESPONSE GRANTS (CRGS) AND LOCAL LEVEL ACTIVITIES

As part of LGCRRP Component 1, ULGIs will receive COVID-19 Response Grants (CRGs) from the PMU, LGED, which they can use to finance a range of schemes and activities that address challenges related to the ongoing COVID-19 pandemic.

As part of LGCRRP Component 2, ULGIs will receive technical and capacity building support from the RMSUs and PMU, LGED in order to help them respond to the ongoing COVID-19 pandemic and to help them strengthen their preparedness for and resilience to future shocks and crises.

## III. INSTITUTIONAL ARRANGEMENTS OF ULGIs

All ULGIs will form a Project Implementation Unit (PIU) with the following responsibilities:

*Table 1: PIU members and responsibilities*

PIU members	Overall responsibilities
<b>Category A Pourashava</b>	<ul style="list-style-type: none"> <li>• Preparation of COVID-19 Response &amp; Recovery Plans (CRRP) and ULGI Preparedness Plans</li> <li>• Planning, design, procurement and supervision of schemes/works</li> <li>• Works/goods/services /procurement</li> <li>• Monitoring of physical and financial progress of sub-projects</li> <li>• Prepare and submit sub-project status reports to the PMU</li> <li>• Prepare and submit M&amp;E progress to the PMU</li> </ul>
Mayor, Chief Executive Officer, Pouro Nirbahi Karmakarta, Executive Engineer, Urban Planner, Social Welfare/ Health Department Officials, Accounts officer	
<b>Category B Pourashava</b>	
Mayor, Pouro Nirbahi officer (PNO), Assistant Engineer, Social Welfare/ Health Department Officials, Accounts officer	
<b>Category C Pourashava</b>	
Mayor, Pouro Nirbahi officer (PNO), Assistant Engineer, Social Welfare/ Health Department Officials, Accounts officer	
<b>City Corporations</b>	
Chief Executive Officer, Pouro Nirbahi Officer (PNO), Chief Engineer Executive Engineer, Chief Urban Planner, Social Welfare/ Health Department Officials, Chief Accounts officer	

For ULGIs the following tables provide a summary of the persons and/or institutions who will be involved in the management/use of CRGs and in other local level activities.

#### IV. MINIMUM CONDITIONS (MCs) TO QUALIFY FOR RECEIVING COVID-19 RESPONSE GRANTS (CRGs)

ULGIs will qualify for CRGs by meeting minimum conditions (MCs). MCs are intended to ensure that ULGIs have basic capacities in place to use project grants effectively and appropriately. ULGIs will need to meet the MCs listed in Table 2 to qualify for grant disbursements.

*Table 2: Minimum conditions to qualify for CRGs*

Minimum Conditions	Grant disbursement date					
	FY 22/23		FY 23/24		FY 24/25	
	Oct 22	Jan 23	July 23	Jan 24	July 24	Jan 25
<b>MC 1:</b> ULGI council has approved and mayor has signed LGCRRP agreement	X					
<b>MC 2:</b> ULGI has key staff in place for PIU		X	X	X	X	X
<b>MC 3:</b> ULGI has approved Covid-19 response and recovery plan (CRRP) for next 6 months and reviewed implementation of previous 6-month plan* <i>*Note: For the FY22/23 there will not be any plan to review</i>		X	X	X	X	X
<b>MC 4:</b> ULGI has functional CDC/TLCC		X	X	X	X	X
<b>MC 5:</b> ULGI has provided 6-monthly progress report** (activities and financial) on a timely basis <i>**Note for the FY22/23 the progress report will be for the number of months after receiving first tranche</i>		X	X	X	X	X
<b>MC 6:</b> ULGI use of previous 6-month tranche has been consistent with LGCRRP expenditure menus		X	X	X	X	X
<b>MC 7:</b> Audit report on project expenditures provides a qualified/unqualified opinion			X		X	
<b>MC 8:</b> Local Pandemic and Disaster Preparedness Plan prepared and adopted					X	X

#### V. SEQUENCING AND COMPLIANCE REQUIREMENTS OF MINIMUM CONDITIONS

Each CRG six-monthly tranche requires ULGIs to comply with specific Minimum Conditions. It is very important to note that ULGIs will need to meet specific MCs for each tranche in order for their CRG allocation for the six-monthly disbursement.

Thus:

- ULGIs only need to meet MC1 in order to qualify for the first tranche of their CRG;
- ULGIs only need to meet MC2, MC3, MC4, MC5, and MC6 in order to qualify for the second tranche of their CRG;
- ULGIs only need to meet MC2, MC3, MC4, MC5, MC6 and MC7 in order to qualify for the third tranche of their CRG;
- And so on.

If a ULGI fails to meet even ONE Minimum Condition for a particular tranche, it will be disqualified from receiving its next CRG disbursement. For example, a ULGI needs to meet MC2, MC3, MC4, MC5, MC6 and MC7 in order to qualify for the third tranche of their CRG. If a ULGI meets MC2, MC3, MC4, MC5, and MC6 but fails to meet MC7, the ULGI will be disqualified for that particular tranche and not receive the next CRG disbursement.

## **VI. ASSESSMENT OF ULGI COMPLIANCE FOR CRG MINIMUM CONDITIONS**

ULGIs will be assessed with respect to their compliance with MCs. Compliance assessments will be undertaken at 6-monthly intervals, based on desk reviews of documentation submitted by ULGIs and field visits to ULGIs by RMSU team members.

In order to demonstrate their compliance with CRG Minimum Conditions, ULGIs will need to submit documentation relevant to each MC to the PMU via their RMSU. Failure to submit the required documentation will lead to a compliance failure.

For each ULGI, the PMU will review all submitted documentation to assess whether (or not) the ULGI has met the Minimum Conditions. In addition, for the 3<sup>rd</sup> tranche and onwards, the PMU will also review the results of each ULGI's independent financial audit to determine whether the ULGI's financial management of CRGs has been adequate.

Once the PMU has finished its assessment of ULGI compliance with CRG Minimum Conditions, the PMU will inform each ULGI whether (or not) it has qualified for the next CRG tranche.

In the event that the PMU determines that a ULGI does not qualify for its next CRG tranche because it has failed to meet all necessary Minimum Conditions, the concerned ULGI can submit an appeal. This appeal should be addressed to the Project Director, PMU and should specify the grounds upon which the concerned ULGI is appealing its disqualification from receiving the next CRG tranche.

A PMU committee will examine ULGI appeals and make a definitive decision on qualification or disqualification. All ULGIs should strictly follow the PMU announced deadline for the appeal and decision process:

- ULGIs must submit their appeals within 1 week of being informed of its MC assessment results;
- Appeals will be decided by the PMU on within 2 weeks of receiving the appeal.

## **VII. COVID-19 RESPONSE & RECOVERY PLANS (CRRP)**

Along with other Minimum Conditions each ULGI will need to prepare its own COVID-19 Response and Recovery Plan (CRRP), in order to qualify for grant support and to guide immediate actions.

The CRRP is the ULGI's plan showing how it intends to respond to the COVID-19 pandemic. CRRPs will be dynamic instruments that include a rolling Three-Year framework and six-month action-plans. The plans should identify local level projects, schemes and activities that are intended as: a) a response to the COVID-19 pandemic; and b) to help local citizens to recover from the socio-economic impacts associated with the pandemic. ULGI CRRPs are therefore a projection of what each ULGI intends to do in response to the COVID-19 pandemic, using its CRG.

The CRRP will take two forms:

- **A Three-Year CRRP**, which sets out the sub-projects/actions/schemes that the ULGI intends to undertake over a period of three years, corresponding to the duration of LGCRRP. This Three-Year CRRP will form the basis for the six-month CRRP (see below) and will be reviewed and updated every six months, in the light of CRRP implementation to date and in order to take into account any evolution in the COVID-19 pandemic and its impact on local people.

- **A Six-Month CRRP** (referred to as the CRRP Action Plan) which will be a more detailed plan that describes the sub-projects/actions/schemes that the ULGI intends to undertake over the coming six months. This will be based on the Three-Year CRRP, but will be adapted in the light of circumstances. The six-month CRRP Action Plan will specifically show how the ULGI intends to use its CRG in the coming six-month period, and will include an estimate of expected costs.

The CRRP will be structured around four broad response and recovery pillars, as shown in Table 3.

*Table 3: Examples of activities to be implemented by ULGIs under CRGs*

Type of Response	Purpose of response	Indicative activities/investments
<b>Pillar 1: Saving Lives</b>	Stopping community transmission	<ul style="list-style-type: none"> <li>▪ Support for contact tracing</li> <li>▪ Improved public hygiene, water and sanitation</li> <li>▪ Incorporating COVID protocols in markets, open spaces, municipal buildings, and schools</li> </ul>
	Ensuring health service delivery	<ul style="list-style-type: none"> <li>▪ Support for health service facilities</li> <li>▪ Vaccination awareness programs</li> </ul>
	Vulnerable households' access to health services	<ul style="list-style-type: none"> <li>▪ Support for pro-poor preventive and curative health, mobile health vans</li> </ul>
<b>Pillar 2: Protecting the Poor</b>	Paid employment for the able-bodied poor	<ul style="list-style-type: none"> <li>▪ Public works operations &amp; maintenance schemes</li> <li>▪ Public works construction schemes</li> </ul>
	Infrastructure and service delivery	<ul style="list-style-type: none"> <li>▪ Construction of new infrastructure and facilities</li> <li>▪ Rehabilitation of existing infrastructure</li> </ul>
<b>Pillar 3: Livelihood and Economic Recovery</b>	Local economic development	<ul style="list-style-type: none"> <li>▪ Incubation support, skills training</li> <li>▪ Markets/other LED infrastructure</li> <li>▪ Digital technology</li> </ul>
<b>Pillar 4: Strengthening Policies and Institutions</b>	Disaster preparedness	<ul style="list-style-type: none"> <li>▪ Support to improve resilience and local emergency response</li> <li>▪ Low carbon urban development strategy (walkways, bicycle lanes, green spaces, etc.)</li> </ul>

The ULGIs can use **2% of their CRGs to hire technical services** to help prepare and design sub-projects as well as procure small equipment items like computers, photo copiers etc.

However, the grants cannot be used for the types of expenditure indicated in Table 4.

*Table 4: Examples of non-eligible expenditure menu (negative list) under CRGs*

Type of expenditure	Examples
<b>Non-developmental expenditures</b>	<ul style="list-style-type: none"> <li>Salaries, vehicles, administrative buildings, religious facilities/activities except municipality-operated burial grounds and crematoriums</li> </ul>
<b>Private goods and services</b>	<ul style="list-style-type: none"> <li>Micro-finance, revolving funds, equipment for small scale commercial activities, and investments in private businesses/enterprises of any kind</li> </ul>
<b>Expenditures with potential negative social or environmental impacts</b>	<ul style="list-style-type: none"> <li>Activities requiring land acquisition or resettlement</li> <li>Activities with significant environmental impacts</li> </ul>
<b>Cash or in-kind transfers</b>	<ul style="list-style-type: none"> <li>Food aid for individuals/households, welfare payments to individuals/households</li> </ul>

## VIII. ULGI BANK ACCOUNT

CRGs will be disbursed to ULGIs in six-monthly tranches. These disbursements will be made upon authorization from the PD. CRG funds will be electronically- or wire-transferred to ULGI bank accounts from the Project's bank account.

Six-monthly CRG allocations to each ULGI will flow to a special project bank account to be opened in a nationalized commercial bank and to be operated by the ULGI. The ULGI will use this special project bank account for the management of all financial transactions related to LGCRRP; no transactions other than those related to LGCRRP activities are to be made using this bank account. Details of this ULGI bank account are provided in the following table.

*Table 5: ULGI LGCRRP bank account – details*

Issue	LGCRRP Requirement
Bank	Branch of a nationalized commercial bank (e.g. Sonali Bank)
Account name	"[_____ ULGI name] LGCRRP account"
Type of account	Current account
Currency	Bangladesh Taka (BDT)
Number of signatories	Three
Signatories	<ol style="list-style-type: none"> <li>Mayor</li> <li>CEO/ Pouro Nirbahi Officer</li> <li>Woman Ward Councilor-Panel Mayor*</li> </ol>

\* The Woman Ward Councilor- Panel Nirbahi Officer is chosen by the Pourashava or City Corporation.

## IX. IMPLEMENTATION ARRANGEMENTS

Figure 1 summarizes the implementation arrangements in different levels from the PSC at the LGD to PIU at the ULGI level.

*Figure 1: Implementation arrangement*

