

# Project Administration Manual

Project Number: 47243-005  
Loan Numbers: 3731-BAN and 3732-BAN  
May 2020

People's Republic of Bangladesh: Rural Connectivity  
Improvement Project – Additional Financing

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
DES	–	division environment officer
EFP	–	Environment focal person
EMP	–	environmental management plan
EMoP	–	environmental monitoring plan
GAP	–	gender action plan
GRM	–	grievance redress mechanism
IEE	–	initial environmental examination
LGED	–	Local Government Engineering Department
km	–	kilometer
OCB	–	open competitive bidding
PAM	–	project administration manual
PDA	–	project design advance
PISC	–	project implementation support consultant
PIU	–	project implementation unit
PMU	–	project management unit
SOE	–	statement of expenditures
SPS	–	Safeguard Policy Statement (2009)
SSS	–	social safeguard specialist
STI	–	sexually transmitted infections

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### **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Local Government Engineering Department (LGED) is wholly responsible for the implementation of ADB-financed project, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by LGED of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendation of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.



## I. PROJECT DESCRIPTION

1. Rural connectivity is a key component of rural development in Bangladesh. Rural roads contribute significantly to generating increased agricultural incomes and productive employment opportunities, alongside promoting access to economic and social services. Rural roads are the virtual lifelines for the vast multitude residing in rural areas. Bangladesh has a large network of rural roads, many of these roads were constructed in years 1990–2010 on earthen embankments owned by *Union Parishads* (rural councils) or *Zila Parishads* (district councils), and they are vital to the crucially important agricultural sector of the country. Since 1995, the government, with the support of the international development community, has continued to expand and improve the rural roads network. During the past decades, rural infrastructure in Bangladesh significantly improved. Despite progress, rural connectivity in Bangladesh remains weak, impeding the physical and economic access. About 40% of the rural population has got access to all-weather roads. Less than 30% of the roads are paved and in good or fair condition.

2. The Asian Development Bank (ADB) approved the Rural Connectivity Improvement Project (the current project) for a regular loan of \$100 million (Loan 3731) and a concessional loan of \$100 million (Loan 3732) on 5 November 2018. The loan agreements were signed on 13 January 2019 and declared effective on 13 February 2019. The current project is to be implemented over 5 years. Both loans will close on 31 May 2024. The additional financing through a concessional loan of \$100 million (Loan XXXX) is required to scale-up the current project, the performance of which is on track.

3. The current project, additional financing, and overall project are aligned with the strategy set out by the Seventh Five-Year Plan, FY2016–FY2020<sup>1</sup> having the following impact: Connectivity between rural communities, productive agricultural areas, and socioeconomic centers in Bangladesh improved.<sup>2</sup> The project will have the following outcome: transport efficiency and related employment generated in target areas increased.

4. The current project has three outputs: Output 1: Rural road conditions between the selected rural communities, productive agricultural areas, and socioeconomic centers improved. Road conditions of about 1,700 kilometers (km) rural roads between the selected rural communities, productive agricultural areas, and socioeconomic centers improved to all-weather standards with safety<sup>3</sup> and climate-resilient features<sup>4</sup> and maintained for 5 years.<sup>5</sup> Output 2: Capacity of rural infrastructure agency and road users in project areas enhanced. This output consists of three subcomponents: (i) Local Government Engineering Department (LGED) trained on road asset management, road safety, contract management, financial management and climate-resilient road design and construction; (ii) road users' awareness enhanced on road safety, human trafficking, and sexually transmitted infection prevention; and (iii) women workers' skills on road construction and maintenance enhanced. Output 3: Rural road master planning

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<sup>1</sup> The fiscal year (FY) of the Government of Bangladesh and its agencies ends on 30 June. "FY" before a calendar year denotes the year in which the fiscal year ends, e.g., FY2017 ends on 30 June 2017"

<sup>2</sup> Government of Bangladesh, Planning Commission. 2015. *The Seventh Five Year Plan: FY2016–FY2020*. Dhaka.

<sup>3</sup> Road safety measures such as cautionary and information signs, guard posts, speed breakers, and object markers.

<sup>4</sup> Adopt climate change resilience design parameters pertaining to pavement, drainage, earthworks, compaction and quality control. This includes slope protection where slope is subjected to water level fluctuations, rigid pavement of reinforced cement concrete is provided at submersible road sections, additional cross drainages, and rigid pavement on sections of roads connecting to cyclone shelters.

<sup>5</sup> Eight packages in five districts have been selected as pilot contracts with maintenance component. The government will finance the maintenance after the loan closing date.

enhanced. The rural road master plan will be upgraded for the entire country using geographic information system technology.

5. The executing agency is the Local Government Engineering Department (LGED) in the Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives. A Dhaka-based project management unit within LGED supports project implementation, and there are five project implementation units (PIUs) at division level, 34 offices at district level, and 180 site offices at Upazila level.

6. Through a project design advance (PDA), ADB assisted LGED to prepare the detailed design of a loan project amounting \$300 million and covering 2,672 km of rural roads. The project amount was subsequently approved by ADB for \$200 million with a reduced scope of upgrading 1,700 km of rural roads.

7. The government kept the original loan amount of \$300 million in their Development Project Proposal approved in October 2018 and valid till 30 June 2023, anticipating that ADB would process the additional financing of \$100 million in 2019.<sup>6</sup>

8. The additional financing will increase the project's scope by upgrading an additional approximately 930 km of rural roads in 16 districts out of the 34 districts of the current project under the same implementation arrangements as for the current project. The overall project scope is aligned with the government's priorities under the Seventh Five-Year Plan, FY2016–FY2020 and ADB's country partnership strategy for Bangladesh, 2016–2020.<sup>7</sup>

9. The impact and outcome of the overall project will remain unchanged from those of the current project. The additional financing will scale up the current output 1 by including additional approximately 930 km of rural roads.

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<sup>6</sup> ADB. 2018. *Report and Recommendation of the President to the Board of Directors: Proposed Loans and Technical Assistance Grant People's Republic of Bangladesh: Rural Connectivity Improvement Project*. Manila (para. 18).

<sup>7</sup> ADB. 2016. *Country Partnership Strategy: Bangladesh, 2016–2020*. Manila.



## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 1: Project Readiness Activities**

Indicative Activities	2019	2020								Responsible Agency
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
<b>Advance contracting actions</b>										
Procurement of 20 civil works packages (OCB, single stage-one envelope)										LGED
a) Bid document preparation	X									
b) Bid advertisement		X	X	X	X					LGED
c) Bid submission and evaluation				X	X	X	X			LGED
d) Contract award					X	X	X	X	X	LGED, MOLGRDC
<b>Processing</b>										
Loan negotiations					X					ADB, MOF
ADB Board approval							X			ADB
Loan signing							X			ADB, MOF
Government legal opinion provided								X		MOLJPA, MOF
Loan effectiveness								X		ADB/MOF

ADB = Asian Development Bank, LGED = Local Government Engineering Department, MOF = Ministry of Finance, MOLGRDC = Ministry of Local Government Rural Development & Cooperatives, MOLJPA = Ministry of Law, Justice and Parliamentary Affairs, OCB = open competitive bidding.

## B. Overall Project Implementation Plan

**Table 2: Overall Implementation Schedule**

Item	2019			2020					2021					2022					2023					2024			
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A		S	O	N
Output 1: Rural road conditions between the selected rural communities, productive agricultural areas, and socioeconomic centers improved																											
1.1 Award contracts for improving about 2,630 km of roads to all-weather standards by Q2 2021																											
1.2. Complete construction works by Q4 2022																											
1.3. Maintain improved roads until Q2 2024																											
1.4. Recruit detailed project report preparation consultant from Q2 2020 to Q1 2021																											
1.5. Complete DPR preparation activities by Q1 2023																											
Output 2: Capacity of rural infrastructure agency and road users in project areas enhanced																											
2.1 Mobilize project implementation support consultants and other capacity development consultants by Q3 2020																											
2.2. Develop capacity development training programs for LGED and project communities by Q4 2020																											
2.3. Conduct training programs by Q4 2021																											
2.4. Develop manuals for performance-based maintenance, and climate-resilient design and construction by Q1 2021																											
Output 3: Rural road master planning enhanced																											
3.1. Mobilize information technology consultants for road master planning by Q3 2020																											
3.2. Develop capacity development training programs for LGED on system-based road master planning by Q3 2021																											
Project Management																											
4.1. Procurement of civil works packages																											
4.2. Recruitment of project implementation support consultant (PISC)																											
4.2.1. PISC Services																											
4.3. Recruitment of transaction technical assistance (TRTA) consultant																											
4.3.1. Capacity development activities																											
4.4. Recruitment of capacity development consultant for GIS-based development of rural road master plan																											
4.4.1. GIS development for road master plan																											
4.5. Environment management plan activities																											
4.6. GAP activities																											
4.7. Communication strategy activities																											
4.8. Bi-annual and midterm review																											
4.9. Project completion report																											

DPR = detailed project report, GAP = gender action plan, GIS = geographic information system, km = kilometer, LGED = Local Government Engineering Department, PISC = project implementation support consultant, Q = quarter, TRTA = transaction technical assistance.

Source: Asian Development Bank.

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations: Roles and Responsibilities

10. The implementation arrangements will remain unchanged from the current project.

**Table 3: Project Implementation Organizations: Roles and Responsibilities<sup>a</sup>**

<b>Project Implementation Organizations</b>	<b>Management Roles and Responsibilities</b>
Executing agency: LGED	<p>LGED will be responsible for:</p> <ul style="list-style-type: none"> <li>• overall coordination of project implementation</li> <li>• timely counterpart fund availability</li> <li>• compliance with loan covenants</li> <li>• arrangements for financial audits and implementation of recommended actions for improving financial management</li> </ul>
Implementing Agency: PMU – LGED	<p>The PMU has been established within LGED in Dhaka and is headed by a Project Director with overall responsibility for executing the project. The PMU is responsible for overall project management covering:</p> <ul style="list-style-type: none"> <li>• consultant recruitment and procurement of works and goods;</li> <li>• payment of goods, works, and consultants;</li> <li>• overall contract supervision and quality assurance control;</li> <li>• preparing progress reports with the 16 District Offices;</li> <li>• project performance monitoring;</li> <li>• project financial management including timely submission of withdrawal applications, maintenance of financial records and accounts; and</li> <li>• submission of quarterly and annual project progress reports, semi-annual safeguard monitoring reports (environment), and project completion report.</li> </ul>
PIUs	<p>Five PIUs have been established under the current project at the division level, each located in Dhaka, Chattogram, Khulna, Rajshahi and Rangapu. Each PIU is headed by a Deputy Project Director and responsible for day-to-day management of the civil works contracts in their respective areas. The functions of the PIUs will include:</p> <ul style="list-style-type: none"> <li>• close coordination with PMU on management of civil works contracts, timely disbursements, compliance with loan covenants and any project management issues;</li> <li>• day-to-day inspection of civil works and quality assurance control;</li> <li>• monitoring environmental management plan implementation;</li> <li>• addressing project related grievances on gender and safeguards;</li> <li>• verification and certification of contractors' claims and submission of required documents for withdrawal applications; and</li> <li>• maintenance of project financial and other records.</li> </ul>
District Offices	<p>Existing staff in the 16 District Offices<sup>b</sup> will be given additional charge for RCIP to perform the following functions under the additional financing project:</p> <ul style="list-style-type: none"> <li>• procurement of civil works;</li> <li>• day-to-day inspection of civil works and quality assurance control;</li> <li>• preparation of progress reports for assigned contracts;</li> <li>• verification and certification of contractors' claims and submission of required documents for withdrawal applications;</li> </ul>

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> <li>• receipt and review of claims from contractors; preparation and submission of Memorandum of Payment and Requisition Form to PMU for processing;</li> <li>• payments to contractors; and</li> <li>• maintenance of project financial and other records.</li> </ul>
<i>Upazila Offices</i>	<p>Existing staff in 180 LGED offices (63 LGED offices in 16 districts will be involved in the additional financing) at upazila-level will be given additional charge for RCIP to perform the following functions:</p> <ul style="list-style-type: none"> <li>• conduct of day-to-day inspection of civil works and quality assurance control;</li> <li>• assistance to preparation of progress reports for assigned contracts;</li> <li>• verification and certification of contractors' claims and submission of required documents for withdrawal applications; and</li> <li>• maintenance of project records.</li> </ul>
ADB	<p>ADB will monitor and review overall implementation of the overall project including compliance with loan agreement, project agreement and ADB guidelines. ADB will:</p> <ul style="list-style-type: none"> <li>• field biannual review missions, midterm review mission, and project completion review mission to assess overall project implementation progress and compliance with loan covenants;</li> <li>• review PMU's submissions for procurement of goods, civil works, and services; and</li> <li>• ensure timely disbursement of funds subject to PMU's submission of withdrawal applications.</li> </ul>

ADB = Asian Development Bank, LGED = Local Government Engineering Department, PIU = project implementation unit, PMU = project management unit, RCIP = Rural Connectivity Improvement Project.

<sup>a</sup> The roles and responsibilities for the additional financing will remain the same as those for Loan 3731/3732-BAN: Rural Connectivity Improvement Project unless otherwise specified through an explanatory footnote.

<sup>b</sup> The additional financing project will be implemented in 16 districts of the 34 districts under the current project. The 34 District Offices under the current project will continue to perform the listed responsibilities for as long as Loan 3731/3732-BAN: Rural Connectivity Improvement Project is implemented.

Source: Asian Development Bank.

## B. Key Persons Involved in Implementation

### Executing Agency and Implementing Agency

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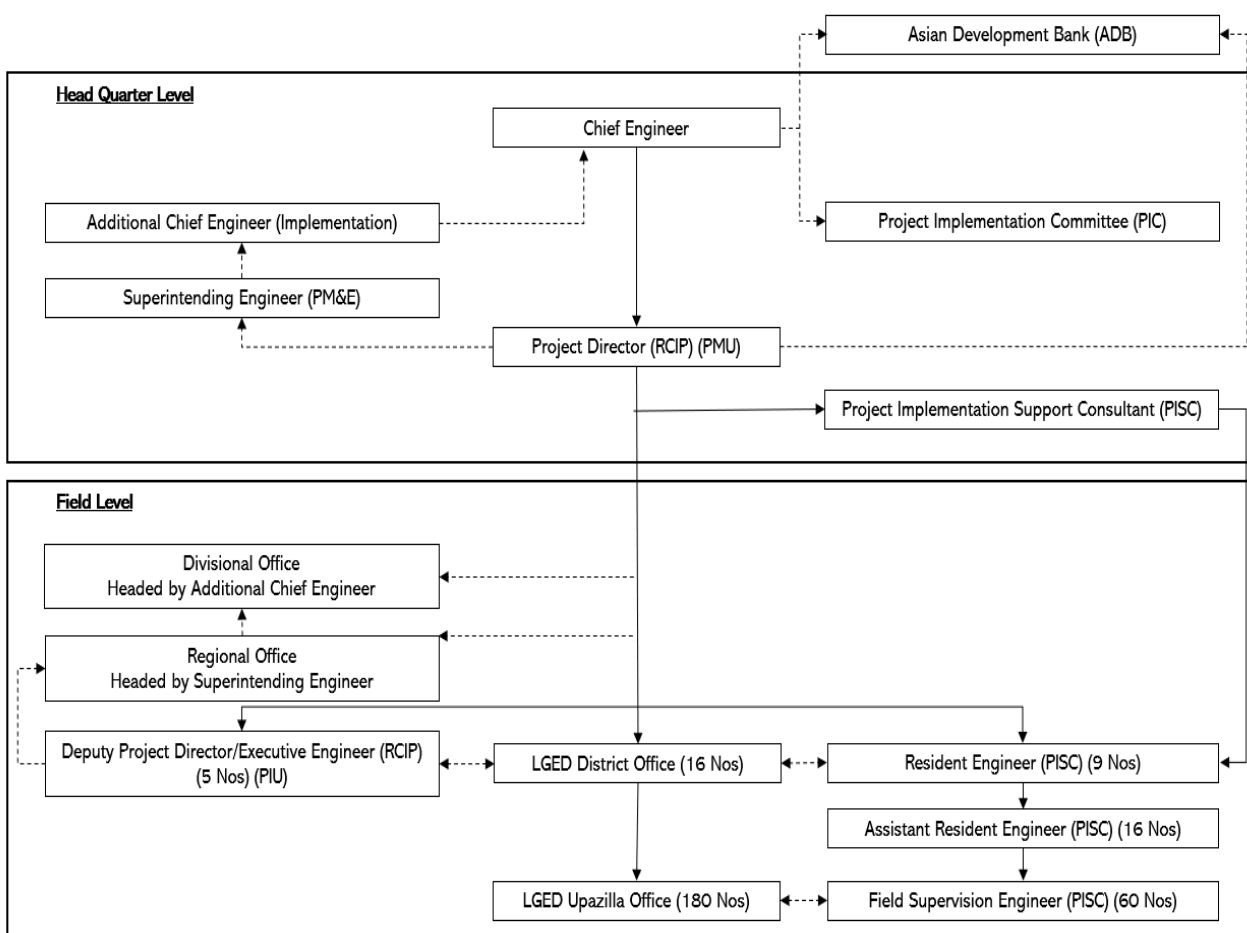
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### C. Project Organization Structure

11. The following flow chart and table show the reporting lines and essential internal structures of the PIUs and their staffing assignments.

**Figure 1: Project Organization Structure**



**Table 4: Staffing Assignments and Recruitment Plan<sup>a</sup>**

No.	Designation	Grade	Number of Post (Deputation)	Number of Post (Outsourcing)	Total Number of Post	Appointment Type
<b>Project Management Unit</b>						
1	Project Director	Grade-4	1	-	1	Deputation
2	Deputy Project Director	Grade-5	2	-	2	Deputation
3	Sr. Assistant Engineer	Grade-6	2	-	2	Deputation
4	Assistant Engineer	Grade-9	1	1	2	Deputation/ Outsourcing
5	Sub-Assistant Engineer	Grade-10	2	1	3	Deputation/ Outsourcing
6	Accountant	Grade-11	1	-	1	Deputation
7	Account Assistant	Grade-13	1	1	2	Deputation/ Outsourcing
8	Office Assistant cum Computer Typist	Grade-16	-	3	3	Outsourcing
9	Driver	Grade-16	2	-	2	Deputation
10	Office Support	Grade-20	1	2	3	Deputation/ Outsourcing
<b>Sub Total</b>			<b>13</b>	<b>8</b>	<b>21</b>	
<b>Project Implementation Units – 5 Divisional Offices</b>						
11	Deputy Project Director/Executive Engineer	Grade-5	5	-	5	Additional Charge
12	Assistant Engineer	Grade-9	5	-	5	Deputation/ Additional Charge
13	Office Assistant cum Computer Typist	Grade-16	-	5	5	Outsourcing
14	Office Support	Grade-20	-	5	5	Deputation/ Outsourcing
<b>Sub Total</b>			<b>10</b>	<b>10</b>	<b>20</b>	
<b>34 LGED District Offices<sup>b</sup></b>						
15	Lab Technician	Grade-11	-	34	34	Outsourcing
16	Account Assistant	Grade-16	-	34	34	Outsourcing
17	Road Roller Driver	Grade-16	-	20	20	Outsourcing
<b>Sub Total</b>			<b>-</b>	<b>88</b>	<b>88</b>	
<b>LGED Offices at Upazila Level<sup>c</sup></b>						
18	Sub-Assistant Engineer	Grade-10	8	82	90	Deputation/ Outsourcing
19	Work Assistant	Grade-16	15	165	180	Deputation/ Outsourcing
<b>Sub Total</b>			<b>23</b>	<b>247</b>	<b>270</b>	
<b>Total<sup>d</sup></b>			<b>46</b>	<b>353</b>	<b>399</b>	

LGED = Local Government Engineering Department.

<sup>a</sup> Staff recruited under Loan 3731/3732 will also implement project activities under the additional financing project.

<sup>b</sup> All staff in the 16 District Offices previously recruited through the original loan will also be involved in project implementation. Each District Office is staffed with one position for Executive Engineer, Senior Assistant Engineer, Assistant Engineer, Assistant Engineer (Mechanical), Sociologist, Sub-Assistant Engineer, Mechanical Foreman, Laboratory Technician, Upper Division Assistant, Accountant, Accountant Assistant, Steno-typist/Computer Operator, and Electrician. Other staff are drivers and maintenance.

<sup>c</sup> The project will also use the existing 180 Upazila-level LGED set-up comprising of Upazila Engineer, Upazila Assistant Engineer, Draftsman (Sub-Assistant Engineer), Community Organizer, Accountant, Surveyors, Electrician, Office Assistant, Accounts Assistant and C.C.T/Computer Operator; 380 Sub-Assistant Engineers, 780 work assistants; and 580 guards and maintenance.

<sup>d</sup> The total number of dedicated project staff is 399, of which 46 are permanent LGED staff and 353 are outsourced/contracted staff.

## IV. COSTS AND FINANCING

12. The project (additional financing) is estimated to cost \$163.93 million. The investment plan is summarized in Table 5.

**Table 5: Summary Cost Estimates**  
(\$ million)

Item	Current Amount <sup>a</sup>	Additional Financing <sup>b</sup>	Total
<b>A. Base Cost<sup>c</sup></b>			
1. Rural road conditions between selected rural communities, productive agricultural areas, and socioeconomic centers improved	233.20	143.62	376.82
2. Capacity of rural infrastructure agency and road users enhanced	14.80	0.00	14.80
3. Rural road master planning enhanced	10.40	0.00	10.40
<b>Subtotal (A)</b>	<b>258.40</b>	<b>143.62</b>	<b>402.02</b>
<b>B. Contingencies<sup>d</sup></b>	<b>16.30</b>	<b>15.55</b>	<b>31.85</b>
<b>C. Financing Charges During Implementation<sup>e</sup></b>	<b>10.60</b>	<b>4.76</b>	<b>15.36</b>
<b>Total (A+B+C)</b>	<b>285.30</b>	<b>163.93</b>	<b>449.23</b>

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Refers to the original amount. Includes taxes and duties of \$38.8 million financed from government resources.

<sup>b</sup> Includes taxes and duties of \$20.69 million to be financed from government resources.

<sup>c</sup> In 2020 prices as of February 2020 for the additional financing.

<sup>d</sup> Physical contingencies for the additional financing computed at 2% for civil works and consulting services. Price contingencies computed at an average for 2020–2023 of 1.56% on foreign exchange costs and 5.74% on local currency costs; includes a provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

<sup>e</sup> Interest rate for the concessional ordinary capital resources loan for the additional financing has been computed at 2% per year during the grace period and year thereafter.

Source: Asian Development Bank estimates.

13. The financing plan is in Table 6. ADB and the government will finance the expenditures in relation to investment costs, recurrent costs, contingencies.<sup>8</sup>

**Table 6: Financing Plan**

Source	Current <sup>a</sup>		Additional Financing		Total	
	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)	Amount (\$ million)	Share of Total (%)
<b>Asian Development Bank</b>						
OCR (regular loan)	100.00	35.0	0.00	0.0	100.00	22.3
OCR (concessional loan)	100.00	35.0	100.00	61.0	200.00	44.5
<b>Government</b>	85.30	30.0	63.93	39.0	149.23	33.2
<b>Total</b>	<b>285.30</b>	<b>100.0</b>	<b>163.93</b>	<b>100.0</b>	<b>449.23</b>	<b>100.0</b>

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

### A. Cost Estimates Preparation and Revisions

14. The cost estimates were prepared by ADB with information on the investment costs initially extracted from the consultant's detailed project report and updated to account for recent changes in the LGED's schedule of rates. The cost estimates were based on February 2020 prices.

### B. Key Assumptions

15. The following key assumptions underpin the cost estimates and financing plan:  
(i) Exchange rate: Tk85.00 = \$1.00 (as of February 2020).

<sup>8</sup> Taxes and duties, and financing charges during implementation will be borne by the government.

- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

**Table 7: Escalation Rates for Price Contingency Calculation (%)**

Item	2020	2021	2022	2023
Foreign rate of price inflation	1.50%	3.02%	4.67%	6.35%
Domestic rate of price inflation	5.50%	11.62%	18.09%	24.94%

Source: Asian Development Bank estimates.

### C. Detailed Cost Estimates by Expenditure Category

**Table 8: Cost Estimates by Expenditure Category**  
(\$ million)

Items	\$ million	% of Total Base Cost
<b>A. Investment Costs</b>		
1. Civil Works <sup>a</sup>	138.62	96.5%
2. Consulting Services	5.00	3.5%
<b>Subtotal (A)</b>	<b>143.62</b>	<b>100.0%</b>
<b>Total Base Cost</b>	<b>143.62</b>	<b>100.0%</b>
<b>B. Contingencies</b>		
1. Physical Contingencies	2.87	2.0%
2. Price Contingencies	12.69	8.8%
<b>Subtotal (B)</b>	<b>15.56</b>	<b>10.8%</b>
<b>C. Financing Charges During Implementation</b>		
1. Interest and Commitment Charges	4.76	3.3%
<b>Subtotal (C)</b>	<b>4.76</b>	<b>3.3%</b>
<b>Total Project Cost (A+B+C)</b>	<b>163.93</b>	<b>114.1%</b>

Notes: Numbers may not sum precisely because of rounding.

<sup>a</sup>Include cost of climate adaptation of \$13.2 million.

Source: Asian Development Bank estimates.

### D. Allocation and Withdrawal of Loan Proceeds

**Table 9: ADB Ordinary Capital Resources Concessional Loan**

Category		Total Amount allocated for ADB financing	ADB Financing Basis
No.	Item		Percentage and Basis for Withdrawal from the Loan Account
1	Civil Works	90,100,000	65% of total expenditure claimed
2	Consulting Services	5,000,000	100% of total expenditure claimed*
3	Unallocated	4,900,000	
	<b>Total</b>	<b>100,000,000</b>	

\*Exclusive of taxes and duties imposed within the territory of the Borrower.



## E. Detailed Cost Estimates by Financier

**Table 10: Cost Estimates by Financier**  
(\$ million)

Item	ADB		Government		Total Costs	Taxes & Duties
	Amount	%	Amount	%		
<b>A. Investment Costs</b>						
1. Civil Works	90.10	65.0%	48.52	35.0%	138.62	18.02
2. Consulting Services <sup>a</sup>	5.00	100.0%	0.00	0.0%	5.00	0.65
<b>Subtotal (A)</b>	<b>95.10</b>	<b>66.2%</b>	<b>48.52</b>	<b>33.8%</b>	<b>143.62</b>	
<b>Total Base Cost</b>	<b>95.10</b>	<b>66.2%</b>	<b>48.52</b>	<b>33.8%</b>	<b>143.62</b>	
<b>B. Contingencies</b>						
1. Physical Contingencies	0.90	31.5%	1.97	68.5%	2.87	0.37
2. Price Contingencies	4.00	31.5%	8.69	68.5%	12.69	1.65
<b>Subtotal (B)</b>	<b>4.90</b>	<b>31.5%</b>	<b>10.66</b>	<b>68.5%</b>	<b>15.56</b>	
<b>C. Financing Charges During Implementation</b>						
1. Interest and Commitment Charges	0.00	0.0%	4.76	100.0%	4.76	
<b>Subtotal (C)</b>	<b>0.00</b>	<b>0.0%</b>	<b>4.76</b>	<b>100.0%</b>	<b>4.76</b>	
<b>Total Project Cost (A+B+C)</b>	<b>100.00</b>	<b>61.0%</b>	<b>63.93</b>	<b>39.0%</b>	<b>163.93</b>	<b>20.69</b>
<b>% Total Project Cost</b>		<b>61.0%</b>		<b>39.0%</b>	<b>100.0%</b>	

Note: Numbers may not sum precisely because of rounding.

<sup>a</sup> Net amount of consultancy services (exclusive of all taxes) shall be paid from the ADB fund.

Source: Asian Development Bank estimates.

## F. Detailed Cost Estimates by Outputs

**Table 11: Detailed Cost Estimates by Outputs**  
(\$ million)

	Output 1 Road Improvement	Output 2 Capacity Development	Output 3 Road Masterplan	Total
<b>A. Investment Costs</b>				
1. Civil Works	138.62	0.00	0.00	138.62
2. Consulting Services	5.00	0.00	0.00	5.00
<b>Subtotal (A)</b>	<b>143.62</b>	<b>0.00</b>	<b>0.00</b>	<b>143.62</b>
<b>Total Base Cost</b>	<b>143.62</b>	<b>0.00</b>	<b>0.00</b>	<b>143.62</b>
<b>B. Contingencies</b>				
1. Physical Contingencies				2.87
2. Price Contingencies				12.69
<b>Subtotal (B)</b>				<b>15.56</b>
<b>C. Financial Charges During Implementation</b>				
1. Interest During Implementation				4.76
<b>Subtotal (C)</b>				<b>4.76</b>
<b>Total Project Cost (A+B+C)</b>	<b>143.62</b>	<b>0.00</b>	<b>0.00</b>	<b>163.93</b>

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

## G. Detailed Cost Estimates by Year

**Table 12: Detailed Cost Estimates by Year**  
(\$ million)

Cost Incurred by Year		Cost Per Year			
	Total Cost	2020	2021	2022	2023
<b>A. Investment Costs</b>					
1. Civil Works	138.62	13.86	55.45	55.45	13.86
2. Consulting Services <sup>a</sup>	5.00	0.50	2.00	2.00	0.50
<b>Subtotal (A)</b>	<b>143.62</b>	<b>14.36</b>	<b>57.45</b>	<b>57.45</b>	<b>14.36</b>
<b>Total Base Cost</b>	<b>143.62</b>	<b>14.36</b>	<b>57.45</b>	<b>57.45</b>	<b>14.36</b>
<b>B. Contingencies</b>					
1. Physical Contingencies	2.87	0.29	1.15	1.15	0.29
2. Price Contingencies	12.69	1.27	5.07	5.07	1.27
<b>Subtotal (B)</b>	<b>15.56</b>	<b>1.56</b>	<b>6.22</b>	<b>6.22</b>	<b>1.56</b>
<b>C. Financing Charges During Implementation</b>					
1. Interest and Commitment Charges	4.76	0.48	1.90	1.90	0.48
<b>Subtotal (C)</b>	<b>4.76</b>	<b>0.48</b>	<b>1.90</b>	<b>1.90</b>	<b>0.48</b>
<b>Total Project Cost (A+B+C)</b>	<b>163.93</b>	<b>16.39</b>	<b>65.57</b>	<b>65.57</b>	<b>16.39</b>

Note: Numbers may not sum precisely because of rounding.

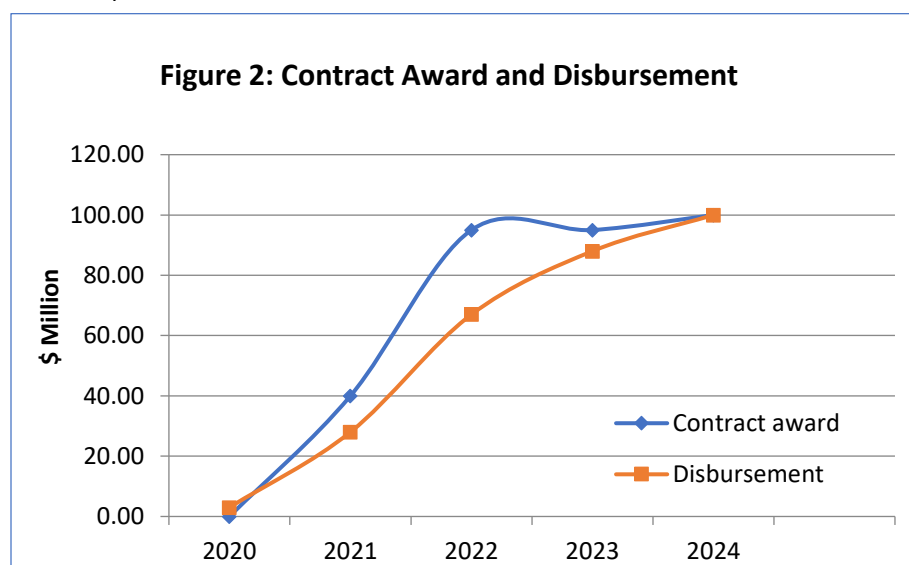
Source: Asian Development Bank estimates.

## H. Contract Award and Disbursement S-Curves

**Table 13: Contract Awards and Disbursement Baseline Projections**  
(\$ million)

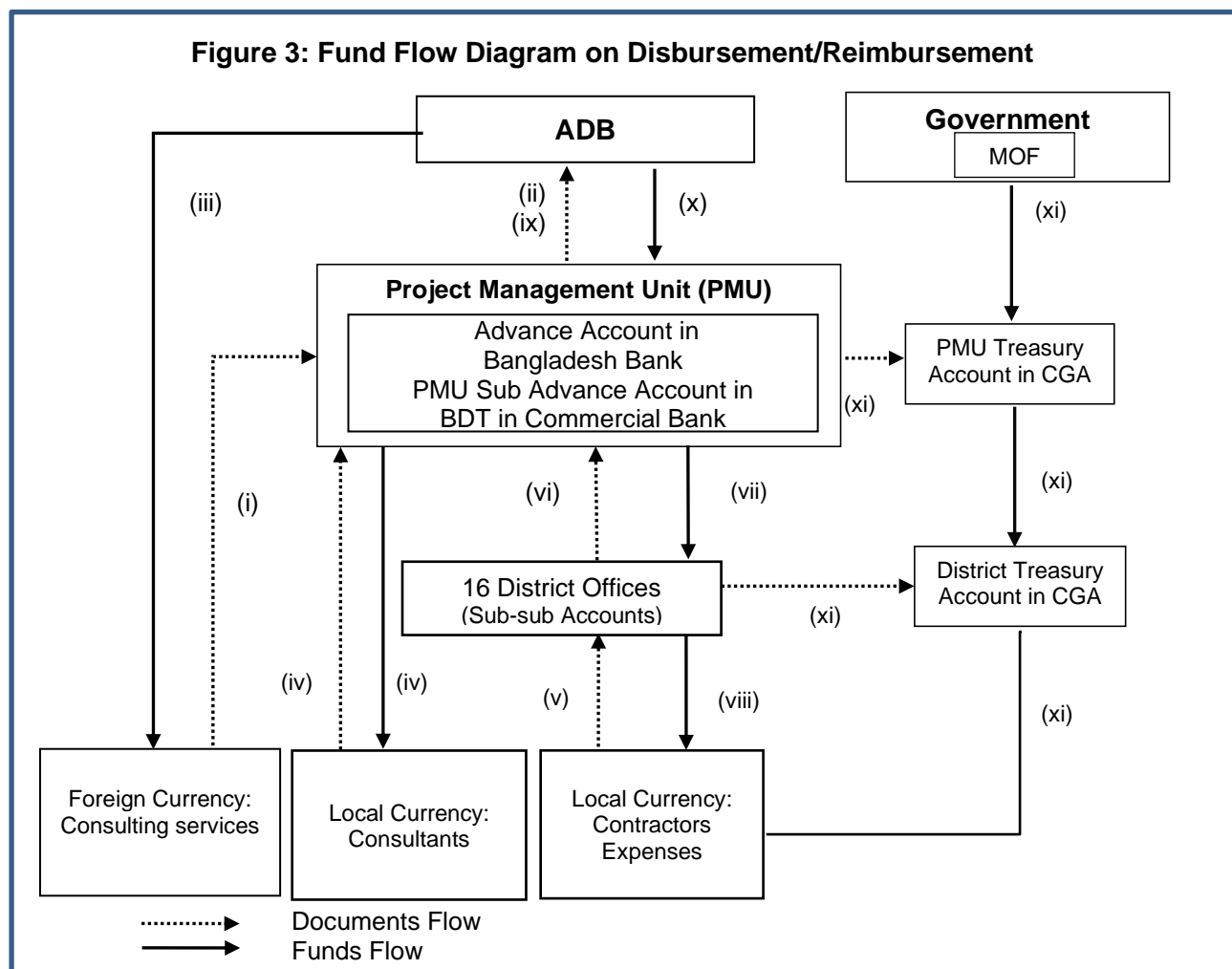
Year	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2020	0.00	0.00	20.00	20.00	40.00	0.00	0.00	0.00	3.00	3.00
2021	20.00	35.00	0.00	0.00	55.00	5.24	4.50	7.76	7.50	25.00
2022	0.00	0.00	0.00	0.00	0.00	9.76	9.74	9.76	9.74	39.00
2023	0.00	0.00	0.00	5.00	5.00	5.24	5.26	5.24	5.26	21.00
2024	0.00	0.00			0.00	5.24	3.00	3.76		12.00
<b>TOTAL</b>					<b>100.00</b>					<b>100.00</b>

Source: Asian Development Bank.



## I. Fund Flow Diagram

16. The project specific fund flow mechanism is illustrated below to show how the funds will flow from ADB and the government to implement project activities.



ADB = Asian Development Bank, BDT = taka, CGA = Controller General of Accounts, LGD = Local Government Division, MOF = Ministry of Finance, PMU = Project Management Unit.

### Notes on funds flow:

#### **For Direct Payment to Consultant for Foreign Currency**

- (i) Consultants submit claims to PMU
- (ii) PMU sends request to ADB for direct payments together with consultants' invoices
- (iii) ADB makes direct payment to consultants

#### **For Other Payments and Expenditures under Local Currency & Counterpart Fund payments**

- (iv) Consultants submits claims to PMU for payments and PMU makes the payment
- (v) Contractors submits claims to District Office for payments.
- (vi) District Office sends Memorandum of Payment (MOP) and Requisition Form to PMU
- (vii) Based on MOP, PMU allot ADB share of funds to District Office Sub Sub Advance Account for ADB share for making payment.
- (viii) District Office makes payments to Contractors in Local Currency
- (ix) PMU consolidates statement of expenditures and request ADB for liquidation/replenishment.
- (x) ADB makes replenishment to Advance Account
- (xi) Release of counterpart fund quarterly basis based on PMU request to MOF through LGD Planning Section and funds released to District Treasury Account in CGA.

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

17. The financial management assessment was conducted in February 2018 and updated in November 2019 and February 2020 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The financial management assessment considered the capacity of LGED, including funds flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. The key financial management risks identified by the assessment are listed in Table 14.

**Table 14: Financial Management and Internal Control Risk Assessment**

<b>Risk</b>	<b>Risk Assessment</b>	<b>Risk Description</b>	<b>Mitigation Measures or Action Plans</b>
<b><i>Inherent Risk</i></b>			
1. Country-specific Risks	S	Absorption capacity of the government departments for capital expenditure.	Close monitoring of project activities as well as government's financing management reforms and initiatives is required.
2. Entity-specific Risks	M	LGED, the executing agency has experience in implementing several ADB-financed projects. Bridge financing has been detected in the past part of a few projects.	A separate PMU for the ongoing project is already established within LGED and will implement the additional financing project.
3. Project-specific Risks	S	Decentralized project implementation and flow of funds: the additional financing project will be implemented in 16 districts and each district will manage its own sub advance account.	Establishment of supplementary accounting procedures and training of PMU staff on ADB's policies and procedures as outlined below will reduce the risk.
<b><i>Overall Inherent Risk</i></b>	<b>S</b>		
<b><i>Control Risk</i></b>			
4. Implementing Entity	L	LGED will implement the additional financing project by using the FM arrangements established under the ongoing project.	The PMU has been established within LGED and the staff is in place.

Risk	Risk Assessment	Risk Description	Mitigation Measures or Action Plans
5. Fund Flow	S	<p>There were cases in the past of delayed release of counterpart fund.</p> <p>Highly centralized flow of funds with 16 sub accounts maintained in each district.</p> <p>Control on over expenditure under ADB share: there were instances in the past of a few projects where the District Office utilized the ADB share in excess of the eligible portion to make payments (bridge financing).</p>	<p>Firm commitment from the MOF for the timely release of counterpart fund will reduce the risk of delays. Direct payment mechanism is to be used for major foreign currency payments for contractors and suppliers for ADB share.</p> <p>Monthly reconciliations of all accounts to be conducted in a timely manner.</p> <p>To avoid bridge financing, it was decided that the PMU will act as a check and balance point, and will release only the ADB share of funds to the District Office to make payments.</p>
6. Staffing	M	<p>Dedicated finance and accounting staff for LGED. Finance staff is already in place in the PMU and District Offices for the ongoing project. However, to date the PISC FM consultant has not been hired yet; as a result, the planned FM capacity building activities are still to be completed.</p>	<p>The FM consultant is to be hired part of the ongoing project before loan effectiveness of the additional financing project.</p> <p>Training to be provided on ADB's FM requirements and systems.</p>
7. Accounting Policies and Procedures	M	<p>Accounts are maintained according to national accounting standards.</p> <p>Existing government policies and procedures are followed. However, ADB funds are partly not covered by government systems.</p>	<p>A check and review system, established under the current loan, to cover ADB funds advanced to the District Offices are outlined in the manual prepared under the current loan.</p> <p>The compliance status of loan covenants and status of FM will be reported and assessed through the quarterly progress reports and verified by ADB review missions.</p>
8. Internal Audit	M	<p>The ongoing project is included in the audit plan of LGED's internal audit department. However, no report has yet been issued to the PMU.</p>	<p>The PMU will request the Internal Audit Unit of LGED to include the additional financing project in their annual internal audit program. The PMU must liaise actively with the internal audit unit and implement their recommendations in a timely manner.</p>
9. External Audit	M	<p>The current arrangement of having the audit done by FAPAD of CAG is acceptable to ADB. Annual project audit reports are produced within 6 months after the end of the financial year.</p>	<p>The PMU must liaise with FAPAD to ensure the additional financing project is part of FAPAD's annual audit plan and that ADB's audit requirements are strictly followed.</p>

Risk	Risk Assessment	Risk Description	Mitigation Measures or Action Plans
10. Reporting and Monitoring	M	To provide ADB and PMU with timely financial information, quarterly financial information needs to be compiled and consolidated by the PMU.	Comprehensive financial information is to be included in the quarterly progress reports in a format agreed with ADB within 15 days after the end of each quarter.
11. Information Systems	S	There is a system in place in the government for recording transactions in Integrated Budgeting Accounting System (IBAS). However, subaccounts and expenditures paid from the ADB loan proceeds are not captured in the IBAS software and are therefore maintained manually. The PMU has access to LFIS and CPD under of the ongoing project.  There is a manual contract management system in place under the ongoing project.	The ADB systems LFIS and Client Portal for disbursement (CPD) must be used regularly to reconcile project accounts and ADB disbursement records and to keep track of direct payments as well as advances, replenishments and liquidations to the advance account.  The PMU must explore and implement suitable IT solutions to fully computerize all accounts and automate financial reporting to the extent possible taking into account the rollout of IBAS++ for donor projects and/or other suitable initiatives.
<b>Overall Control Risk</b>	<b>S</b>		
<b>Overall Risk</b>	<b>Substantial</b>		

Notes: H – High, S- Substantial, M – Moderate, L – Low.

ADB = Asian Development Bank, CAG = Controller and Auditor General, CPD = Client Portal for disbursement, FAPAD = Foreign Aided Project Audit Department, FM = Financial Management, IBAS = Integrated Budgeting Accounting System, LFIS = Loan Financial Information System, LGED = Local Government Engineering Department, MOF = Ministry of Finance, PISC = Project Implementation Support Consultant, PMU = Project Management Unit.

Source: Asian Development Bank.

18. The assessment concluded that the overall pre-mitigation financial management risk of LGED is *substantial*. The assessment also concluded that LGED has sufficient capacity to administer advance fund and statement of expenditures (SOE) procedures under the proposed fund follow scheme. LGED has agreed to implement the time-bound action plan with key measures to address the deficiencies presented in Table 15.

**Table 15: Financial Management Action Plan**

Key Risk Area	Risk Mitigating Activity	Timeline	Entity
Bridge financing (use of ADB fund in excess of ADB's share for making payments) noticed under a few existing projects handled by LGED	PMU will release only the ADB share of funds to the District Office based on Funds Requisition Forms along with memorandum of payment from the PMU advance account. PMU will instruct the District Offices to comply with the new process and use the required forms.	Continuous from loan effectiveness throughout project implementation.	LGED/PMU
Staffing	Engage the financial management consultant under PISC of the ongoing project.	By loan effectiveness of the additional financing project.	LGED

Key Risk Area	Risk Mitigating Activity	Timeline	Entity
Training on ADB's policies and procedures	Conduct trainings to all field staff (accounting and technical) involved in the project.	Continuous from loan effectiveness throughout project implementation.	LGED/PMU
Timely release of counterpart fund	PMU will prepare sufficient counterpart fund budget. Obtain firm commitment from the MOF for the timely release of counterpart fund.	By loan effectiveness and thereafter annually at the time of budget preparation	LGED/MOF
Internal audit	PMU will request the Internal Audit Unit of LGED to include the additional financing project in the annual internal audit program based on the recently introduced Internal Audit Manual.  After the statutory audit, internal audit will be carried out over the next 6 months so that mid-year checks are in place.  PMU will follow up actively with the Internal Audit Unit and implement the internal audit recommendations within 6 months after the internal audit report has been issued.	By loan effectiveness.  Continuous from loan effectiveness throughout implementation.	LGED
Financial statement in compliance with ADB policy	Audited Project Financial Statements will be submitted to ADB within 6 months after the end of the fiscal year in the format acceptable to ADB. Audit observations and other issues from previous years are to be resolved.	At the end of each financial year.	LGED/PMU/ FAPAD
Timely reporting and monitoring	Prepare quarterly progress reports with financial, contract award, payment and disbursement information as well as variance analysis of physical and financial progress. The report should include the latest status of financial management action plan and previous audit recommendations.	Within 15 days from the end of each quarter.	LGED/PMU
Preparation of accounts and reporting	Check and review system will be established for manually prepared information to prevent errors. A manual will be developed by PMU.	By loan effectiveness.	LGED/PMU
Retention money	Stop the practice used under previous projects of parking a portion of ADB funds in another account for future payment of retention money. An unconditional bank guarantee of equivalent amount by the contractor is to be considered instead. PMU will instruct District Offices to comply with this new process.	Continuous from loan effectiveness throughout implementation.	LGED/PMU
Information systems	Active use of both ADB systems LFIS and CPD to reconcile project accounts and ADB disbursement records and keep track of direct payments as well as advances, replenishments and liquidations to the advance account.  Explore and implement IT solutions to fully computerize all accounts and automate	Continuous from loan effectiveness throughout project implementation.	LGED/PMU

Key Risk Area	Risk Mitigating Activity	Timeline	Entity
	financial reporting to the extent possible taking into account the rollout of IBAS++ for donor projects and/or other suitable initiatives.		

ADB = Asian Development Bank, CPD = Client Portal for disbursement, LFIS = Loan Financial Information System, LGED = Local Government Engineering Department, PISC = Project Implementation Support Consultant, PMU = project management unit.

Source: Asian Development Bank.

## B. Disbursement

### 1. Disbursement Arrangements for ADB Funds

19. The loan proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time)<sup>9</sup> and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available<sup>10</sup> and project staff are encouraged to undertake it to ensure efficient disbursement and fiduciary control.

20. ADB's disbursement procedures (direct payment, reimbursement, commitment and/or advance fund procedure) will be used for withdrawal of project funds. Direct payment procedure will be used for foreign currency payments to consultants. Reimbursement and advance fund (liquidation or replenishment) procedures will be mainly utilized for payments to contractors. Under the commitment procedure, ADB, at the borrower's request, provides an irrevocable undertaking to reimburse a commercial bank for payments made or to be made to a supplier against a letter of credit financed from the loan account. The PMU will prepare and submit to ADB withdrawal applications. The PMU is responsible for ensuring that supporting documents are complete, retained and made available for ADB's review at any time. One advance account in US dollar will be opened at the Bangladesh Bank. A sub-account in local currency will be established in a commercial bank and maintained by the PMU. Sub-sub accounts will be established for each of the 16 District Offices which will implement the additional financing project.

21. **Advance fund procedure.** Separate advance accounts will be established and maintained by LGED for each funding source. The currency of the advance account is the United States dollar. The advance account is to be used exclusively for ADB's share of eligible expenditures. LGED who administers the advance account is accountable and responsible for proper use of advances to the advance accounts including advances to any sub-accounts.

22. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming six months. LGED may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet<sup>11</sup> setting out the estimated expenditures to be financed through the accounts for the forthcoming six months. Supporting documents should be submitted to ADB or retained by LGED in accordance with ADB's *Loan Disbursement Handbook 2017* (2017, as amended from time to time) when liquidating or replenishing the advance account.

<sup>9</sup> ADB. 2017. *Loan Disbursement Handbook 2017*. Manila.

<sup>10</sup> Disbursement eLearning: [http://wpqr4.adb.org/disbursement\\_elearning](http://wpqr4.adb.org/disbursement_elearning)

<sup>11</sup> Estimate of Expenditure Sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook 2017* (2017, as amended from time to time).



23. **Statement of expenditure (SOE) procedure.**<sup>12</sup> The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation for individual payments should be supported by full documentation when submitting the withdrawal application to ADB.

24. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid (i) by LGED and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The Borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements<sup>13</sup> system is encouraged for submission of withdrawal applications to ADB.

## 2. Disbursement Arrangements for Counterpart Fund

25. The government counterpart funds will be sufficiently allocated in the budget annually. PMU and LGED will prepare the project disbursement projections and transmit them to the government, to earmark the required funds for budgeting purposes. The PMU and LGED will be responsible for preparing disbursement projections and requesting budgetary allocations for counterpart funds to the Ministry of Finance. The PMU will submit to ADB annual project contract awards and disbursement projections at least a month before the start of each calendar year.

## C. Accounting

26. LGED will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following the government's financial regulations. LGED will prepare consolidated project financial statements in accordance with the Bangladesh Financial Procedures and Accounting Procedures – cash basis of accounting, which are consistent with International Accounting Standards (IAS). The financial statement will include at least the following items:

- (i) Statement of cash receipts and payments showing the funds received by each funding source (ADB concessional loan, government, etc.) and expenditures incurred by expenditure category for the current year, previous year and cumulative from inception to date;
- (ii) Statement of budget vs. actual expenditures; any significant variance will be sufficiently explained in the notes;
- (iii) Statement of advance account reconciliation for each advance account;
- (iv) Statement of disbursement with a breakdown for each funding source; and
- (v) Detailed notes to the financial statements including significant accounting policies. The notes of the financial statements will provide a detailed breakdown of at least the following:
  - (a) Funds received from the government during the current year, previous year and cumulative to date;

<sup>12</sup> SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook 2017* (2017, as amended from time to time).

<sup>13</sup> The CPD facilitates online submission of withdrawal applications to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available at <https://www.adb.org/documents/client-portal-disbursements-guide>.

- (b) A list of withdrawal applications submitted to - and the amounts paid by ADB as follows: financing source, withdrawal applications number, the amount claimed and currency, period when expenditures were incurred, date submitted, disbursement method, the amount disbursed by ADB, and the exchange rate as applicable.

27. The expenditure categories and outputs used in the financial reports will be aligned with the structure outlined in this project administration manual (PAM). Moreover, to allow for timely and efficient monitoring, the PMU will ensure that comprehensive financial information is included in the quarterly progress reports to be submitted to ADB within 15 days after the end of each quarter. Detailed financial reports may also be appended to the quarterly progress reports as agreed with ADB. The template for the quarterly progress reports is in Appendix 4. The information will include at least the following items:

- (i) Overall financial progress by financing source for the reporting period, year to date and cumulative;
- (ii) Timeliness and adequacy of government counterpart funding;
- (iii) Disbursement information for the reporting period, year to date and cumulative, including comparison with the disbursement S- curve outlined in the PAM;
- (iv) Analysis of contract awards in the reporting period and cumulative, including comparison with the contract award curve outlined in the PAM;
- (v) Reconciliations of the advance accounts - any reconciliation items are to be disclosed and explained in the text of the report;
- (vi) Reconciliation of project records with ADB disbursement data - any discrepancies are to be disclosed and explained in the text of the report;
- (vii) Variance analysis including budget vs. actual expenditures and physical vs. financial progress, with significant deviations analyzed and explained; and
- (viii) Status of financial management under the project including follow-up status on the (a) Financial Management Action Plan, (b) compliance with financial loan covenants, (c) previous external and internal audit (if any) observations related to the project as well as (d) agreed financial management actions from ADB review missions.

28. **Variance analysis.** As part of the variance analysis, LGED through its PMU and District Offices will examine the differences between budgeted and actual expenditures as well as between financial and physical progress. Any significant variances, delays or deviations etc. shall be promptly followed up and explained in the financial reports. The variance analysis will pay particular attention to the following items:

- (i) Significant deviations from the budgeted engineer's estimate;
- (ii) Significant deviations between financial and physical progress;
- (iii) Significant delays on (planned vs. reported) physical and/or financial progress; and
- (iv) Inconsistent and/or delayed progress reporting.

29. **Periodic reconciliations.** To ensure the correctness and completeness of the project's books of accounts and financial reports, LGED through its PMU and District Offices shall conduct:

- (i) Monthly reconciliations of the advance accounts, subaccounts and District sub accounts; and,
- (ii) Quarterly reconciliation of the project book of accounts, and ADB's disbursement data available in the Loan Financial Information Services.

30. Any discrepancies and/or reconciliation items will be followed up on to ensure that they are resolved in a prompt manner and that there are no errors / misstatements in the financial reports. The differences between amounts claimed and the amounts disbursed will be disclosed and explained in the withdrawal application register to be included in the financial reports.

31. **Financial management capacity building.** To ensure sufficient knowledge in ADB's financial management requirements, including procedures and related systems, LGED will ensure that each PMU finance staff assigned to the project undertakes the following actions within the first three months of working on the project:

- (i) Be aware of the ADB's and national anticorruption policy and whistle blowing mechanisms;
- (ii) Master loan agreement including the loan covenants and the relevant sections of the PAM, as well as the ADB's *Loan Disbursement Handbook 2017* (2017, as amended from time to time); and
- (iii) Obtain user/reader rights (as required) to ADBs systems, including the Client Portal for Disbursement and the Loan Financial Information Services.

32. In addition, the PMU will liaise with ADB on a yearly basis to take advantage of other financial management resources<sup>14</sup> and training events organized by ADB, especially in the first two years of project implementation.

#### D. Auditing and Public Disclosure

33. LGED will cause the detailed project financial statements to be audited in accordance with International Standards on Auditing by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in English to ADB by LGED within 6 months from the end of the fiscal year, i.e., by 31 December of each year. The audit report will include a separate audit opinion on the advance account.

34. The audit report for the project financial statements will include a management letter and auditor's opinions which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable). The management letter will include from the second year onwards, a follow-up on previous years audit observations. In case the auditor does not issue a management letter, the auditor must issue a written confirmation that no internal control issues were identified as part of the audit. A sample of the terms of reference for the auditor is in Appendix 1.

35. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal project supervision, and followed up regularly with all concerned, including the external auditor.

36. The government and LGED have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.<sup>15</sup> ADB reserves the right to require a change in the auditor (in a manner

<sup>14</sup> ADB e-learning courses include: ADB Disbursement eLearning course and Cash Basis IPSAS for ADB Project Financial Reporting.

<sup>15</sup> ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a)

consistent with the constitution of the Borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

37. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy 2018.<sup>16</sup> After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.<sup>17</sup>

38. Internal audit. The Internal Audit function of the LGED will include project activities within their audit scope, over the project implementation period. The PMU will actively liaise with the internal audit function and the status of the internal audit recommendations related to the project (if any) will be regularly monitored by LGED through its PMU and included in the quarterly progress reports.

## VI. PROCUREMENT AND CONSULTING SERVICES

### A. Advance Contracting and Retroactive Financing

39. All advance contracting and retroactive financing will be undertaken in conformity with *Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services* (2017, as amended from time to time).<sup>18</sup> The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower and LGED have been informed that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

**Advance contracting.** It is anticipated that approximately 30 civil works packages will be financed under the project through advance contracting.

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inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.

(iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

<sup>16</sup> ADB. 2018. Access to Information Policy.

<sup>17</sup> This type of information would generally fall under Access to Information Policy exceptions to disclosure. ADB. 2018. *Access to Information Policy*.

<sup>18</sup> ADB. 2017. [Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services](#).

40. Table 16 indicates the schedule and status for advance contracting of these civil works packages.

41. **Retroactive financing.** Retroactive financing is allowed for reimbursement of eligible expenses mentioned in para. 39, up to a maximum amount equivalent to 20% of the ADB loan for this additional financing project, incurred before loan effectiveness, but not more than 12 months before the signing of the loan agreement.

**Table 16: Procurement Advance Actions Schedule and Status**

Activity	Responsible	Due date	Comment
Advance contracting notice	LGED, ADB		Published on 6 Jan 2020
Advertisement of invitation for bids	LGED	15 Mar 2020	Ongoing since Feb 2020
Bid evaluation by LGED	LGED	30 Apr 2020	Ongoing from March 2020
Government approvals to award	HOPE	15 May 2020	
Contract acceptance letter / award	LGED	31 May 2020	

ADB = Asian Development Bank, HOPE = head of procurement entity, LGED = Local Government Engineering Department.

Source: Asian Development Bank.

## **B. Procurement of Works and Consulting Services**

42. All procurement of works and consulting services will be undertaken in accordance with *Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services* (2017, as amended from time to time).

43. Open competitive bidding (OCB), national will be used for civil works contracts of \$15 million or less. Shopping will be used for procurement of works estimated to cost less than \$100,000, if any.

44. Electronic mode of procurement will be used for all civil work contracts.<sup>19</sup> Bidders will be post-qualified by applying single-stage; one-envelope bidding procedure.

45. The following approval procedures will be adopted for OCB civil work contracts:

- (i) LGED will use the master bidding document previously reviewed and approved by ADB under the original loan.
- (ii) As ADB reviewed and approved the first five contract packages under the original loan, LGED may proceed with procurement procedures and contract award for contract packages under the additional financing project without prior ADB review and approval. The following post facto approval procedures will still apply: (a) LGED will retain a record of all procurement documentation, including copies of the signed contracts and the bid evaluation reports, to be available for inspection;<sup>20</sup> (b) at the time of each contract award, LGED will provide ADB with a certified summary sheet reporting on the main aspects of the bid evaluation and contract award; and (c) LGED will promptly inform ADB on achieving the award of 30% and 70% of contracts for ADB to conduct post sampling reviews.<sup>21</sup> The procurement processes and contract awards will be audited as part of the performance audit following award of 30% and 70% of contracts. ADB may conduct random post facto reviews of procurement process and contract awards at any time.
- (iii) If any contract award is found to be unacceptable by ADB, ADB may refuse to finance the contract. If any disbursement has been made in part or in full towards financing the contract, ADB reserves the right to request LGED to refund the total amount disbursed.

46. The government will inform ADB of the changes made to the national procurement regulations, if any, and carry out a joint review of the OCB Annex of the procurement plan, if necessary, to ensure consistency with ADB's guidelines. The procurement plan should be

<sup>19</sup> Approval of e-GP for national competitive bidding (OCB) was granted by ADB in August 2016.

<sup>20</sup> Original documentation on the procurement process may be kept at LGED District Offices (as Procurement Entities), however, the copies of the documentation shall be kept at PMU, LGED Headquarters to enable easy access for review and auditing by ADB.

<sup>21</sup> ADB. 2018. [Procurement Review - Guidance Note on Procurement](#).

updated whenever change in the procurement arrangements and/or the OCB Annex are required and agreed.

### C. Procurement Plan

47. Project procurement classification is B, and the project procurement risk is assessed as low, consistent with the original loan. A procurement plan, indicating thresholds and review procedures, works, and consulting services contract packages and open competitive bidding guidelines, is in Appendix 2 and includes all procurement of works and consulting services to be undertaken under the project.<sup>22</sup>

48. All procurement activities will be the responsibility of the project director of the PMU, who will be supported by his staff and consultants. ADB will closely monitor all procurement activities estimated at \$1.0 million and above. Civil works contracts will comprise 62 OCB packages.

### D. Consultant's Terms of Reference

49. International consultants, in association with national consultants, will be engaged by LGED as detailed project report preparation consultant to support the PMU in the preparation of the detailed project reports for a possible follow-on project to be financed by ADB. About 46 person-months of international and 112 person-months of national consultant inputs are anticipated to be required for this. These consultants will be recruited under a firm, using ADB's quality- and cost-based selection under full technical proposal with a quality–cost ratio of 90:10. The terms of reference for consulting services are outlined in Appendix 3.

50. The following two consulting services are being engaged under the current project: Project Implementation Support Consultant (PISC) and Capacity Development Consultant (GIS-based development of rural road masterplan). The PISC will be involved also in the additional financing.

## VII. SAFEGUARDS

51. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009) (SPS), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the ADB SPS.

### A. Environment

52. The project is classified as category B in accordance with ADB's SPS. The initial environmental examination (IEE) report encompassing all 216 project roads of the original project prepared and disclosed on ADB's website in 2018, was updated for the additional financing project. The environmental management plan (EMP) outlines measures to mitigate all anticipated environment impacts during project construction and operation and will be included in the contract of each respective civil works contractor. Specific mitigation measures with details on location, time and responsible agency for implementation are provided in the EMP.

53. **Implementation Arrangements for Environment Safeguards.** The responsibilities of various agencies and parties for implementing environment safeguards are provided below.

54. LGED's PMU is responsible for the overall compliance of the project with ADB's SPS and all applicable laws and rules under the Ministry of Environment and Forest. The PMU will be supported by a senior safeguard specialist (SSS) responsible for ensuring the project complies with all ADB's social and environmental safeguard requirements. The SSS will coordinate with

<sup>22</sup> Checklists for actions required to contract consultants by method are available in the e-Handbook on Project Implementation at: <https://www.adb.org/documents/handbook-project-implementation>.

the five Division Environment Specialists (DES) and the District Engineer of each of the 16 District Offices of the project to ensure project implementation complies with the PAM and EMP. The PMU will:

- (i) ensure compliance with all environment-related statutory requirements of LGED and contractor;
- (ii) review and finalize road specific EMPs prepared jointly by each DES and District Engineer;
- (iii) have overall responsibility for the timely endorsement of key documents and their submission to the respective agency(ies) for processing of necessary clearances and permits, including but not limited to, forestry clearance; tree cutting permit; permission for construction material quarrying; consent to operate hot mix plants, crushers, and batching plants; consent for disposal of sewage from labour camp; and pollution under control for motor vehicles, etc.;
- (iv) ensure all contractors obtain permits, licenses, etc. for activities such as operation of asphalt plants, quarries, borrow areas etc. before the implementation of the respective construction activity;
- (v) conduct training and workshops on environmental management including site induction of all staff and workers involved in the construction. These include all District Engineers, staff and laborers of all contractors;
- (vi) design and implement an effective environmental monitoring program per the IEE approved by ADB and LGED, including, but not limited to, inspections by the PMU, self-monitoring by the contractors, inspection protocols for the DES, and grievance redress mechanism (GRM) including intake form and documentation;
- (vii) take proactive and timely measures to address any environment safeguards related challenges at the national or division/district levels such as delays in processing of clearances during pre-construction stage and significant grievances (during construction stage);
- (viii) carry out periodic field verification and review environmental compliances of the contractor during project implementation, in coordination with the DES and the contractor's environment focal person (EFP);
- (ix) ensure preparation, review and submission to ADB of semi-annual environmental monitoring reports for disclosure on ADB's and LGED's websites; and
- (x) ensure GRM, as envisaged in the EMP, is in place.

**55. Division Environmental Specialists.** Each of the LGED Division will have an Environmental Specialist to support the District Engineers in supervising the implementation of the EMP and Environmental Monitoring Plan (EMoP) by the contractor, and will undertake the following activities:

- (i) prepare, in coordination with the contractor's EFP and guidance from the SSS, road-specific EMPs and EMoPs guided by the overall and based on the detailed survey;
- (ii) guide the preparation by the contractor of all subplans identified in the IEE and EMP to include camp layout, waste/debris management plan, borrow area management plan, traffic management plan, and undertake the review of all subplans and advise the District Engineer on their adequacy, who in turn, will instruct the contractor to make any necessary revisions;
- (iii) conduct environmental site induction to all contractors and PIUs to ensure understanding of the EMP, domestic environmental laws and regulations requirements particularly on the required clearances and permits, training on occupational and community health and safety, timely mobilization of the



- contractor's EFP;<sup>23</sup>
- (iv) ensure the contractor secures timely necessary permits and clearances;
  - (v) ensure the environmental monitoring report template is used by the contractor to prepare contractor's self-monitoring reports;
  - (vi) review monthly environmental monitoring reports prepared by the contractor;
  - (vii) conduct at least three environmental inspections during the construction phase: (a) first report at pre-construction stage, (b) second report immediately after the completion of 25% construction, and (c) third report immediately after the completion of 75% of construction;
  - (viii) monthly site and follow-up inspections to ensure the accuracy of the monitoring reports received and enforce the EMP and EMoP;
  - (ix) prepare summary for quarterly and semi-annual monitoring reports from the periodic compliance inspection monitoring and review of the environmental self-monitoring reports, prepared by the contractor, for review and guidance of the PMU;
  - (x) conduct compliance discussions with the contractor should non-compliance actions occurred and agree on corrective measures with guidance from PMU;
  - (xi) remind the contractor through the District Engineer and SSS on how to comply with requirements to address non-compliances;
  - (xii) report apparent unanticipated impacts, recommend mitigation measures to be implemented and contribute on updating the IEE report as appropriate with the PMU; and
  - (xiii) recommend sanctions to the SSS in case of recalcitrant contractor.

56. **Contractor.** The contractor is the principal agent implementing the EMP and EMoP during the pre- and construction stages. Specifically, the contractor will:

- (i) appoint the contractor's EFP and attend the site induction workshop to be organized by the DES and SSS;
- (ii) ensure compliance with environmental statutory requirements and contractual obligations;
- (iii) obtain necessary environmental license(s), permits etc. from relevant agencies as specified in the IEE for ancillary facilities of the project road works such as quarries, wet mix plant, etc. prior to the commencement of the civil works on site;
- (iv) collect the baseline environmental quality data and produce the pre-construction monitoring report to be submitted to the District Engineers before the start of physical works, and continue collection of environmental quality data per the EMoP during construction and operation;
- (v) revise the road-specific EMP and EMoP, as instructed by the District Engineer, based on detailed road survey;
- (vi) implement all mitigation measures in the EMP and activities in the EMoP;
- (vii) ensure that all workers, site agents, including site supervisors and management, participate in training sessions delivered by DES and SSS for the specific site;
- (viii) submit monthly environmental self-monitoring reports to the District Engineer during the construction stage;
- (ix) submit quarterly environmental monitoring reports to the District Engineer during the 5-year maintenance period;
- (x) participate in resolving issues as a member of the grievance redress committee;

<sup>23</sup> Site induction training includes but not limited to: (i) discussion and review of environmental management plan and environmental monitoring plan detailing how specific environmental risks associated with their Scope of Work will be managed legal compliance, inspection and audits, and progress tracking and reporting; (ii) environmental training and awareness needs shall be determined and documented via a training needs analysis prior to commencement; (iii) Health and Safety Awareness Course, which details general environmental awareness and specific performance requirements expected on site; and (iv) grievance redress mechanism.

- (xi) respond promptly to grievances raised by the local community or any stakeholder and implement environmental corrective actions or additional environmental mitigation measures as necessary; and
- (xii) based on the results of EMP monitoring, cooperate with the DES to implement environmental corrective actions and corrective action plans, as necessary.

57. ADB is responsible for the following:

- (i) review the updated IEE report and disclose its agreed version on the ADB's website;
- (ii) monitor implementation of the EMP through review or/and audit missions;
- (iii) assist PMU and LGED, if required, to undertake their responsibilities and build capacity for safeguard compliance; and
- (iv) verify compliance with the loan covenants.

## B. Grievance Redress Mechanism (GRM)

58. LGED has established a GRM to voice and resolve social and environmental concerns linked to the overall project and ensure greater accountability of the project authorities towards all affected persons (Table 17). This mechanism is not intended to bypass the government's own legal process, but to provide a time-bound and transparent mechanism that is readily accessible to all segments of the affected people and road residents. All costs involved in resolving the complaints (meetings, consultations, communication and reporting/information dissemination) will be borne by the project. LGED is responsible to keep the GRM operational during the whole duration of the project.

**Table 17: Grievance Redress Mechanism**

Field-Level Committee	District-Level Committee	Project-Level Committee
<ul style="list-style-type: none"> <li>Head of Upazila Parishad / local leader nominated by Union Parishad (Chairperson),</li> <li>Representative of the Union Parishad</li> <li>LGED Upazila Engineer</li> <li>PISC field engineer</li> <li>Community organizers</li> <li>Contractor's environmental/social focal person</li> </ul>	<ul style="list-style-type: none"> <li>Executive Engineer of LGED District Office</li> <li>LGED Upazila Engineer</li> <li>Representative of Upazila Parishad</li> <li>PISC social expert and environment expert</li> <li>Contractor's environmental/social focal person</li> <li>Representatives designated by affected community</li> </ul>	<ul style="list-style-type: none"> <li>Project Director (PMU)</li> <li>LGED Executive Engineer</li> <li>Finance representative</li> <li>PISC environment expert</li> <li>PISC social expert</li> </ul>

LGED = Local Government Engineering Department, PISC = project implementation support consultant, PMU = project management unit.

Source: Asian Development Bank.

## C. Involuntary Resettlement and Indigenous Peoples

59. The project is categorized as C for involuntary resettlement. There is very limited requirement of additional land for the project as the works will be carried out mostly within the existing road corridor/right-of-way. Narrow strips of additional land will be required to address road safety, bridge approaches and short-term construction-related requirements. In such cases, eminent domain will not be used but instead a voluntary land donation system will be used in accordance with ADB's requirements. The government will ensure (i) full consultation with

landowners and any non-titled affected people on alignment selection; (ii) that voluntary donation does not severely affect the living standards of the affected persons, (iii) that any voluntary donation is confirmed through verbal and written record; and (iv) that an adequate grievance mechanism is in place.

60. The project is categorized as C for indigenous peoples. The social assessment did not identify presence of Tribes, Minor Races, Ethnic Sects and Communities in all the project roads.

61. In accordance with the community consultation and social impact mitigation process outlined in the Community Participation Framework, transect walks have been conducted along all of the 96 rural roads under this additional financing project. Community Participation Plans have been prepared following the transect walks for all the subproject roads. Assessment of institutional capacities and arrangements confirmed that the involved agencies are capable to effectively implement the requirements of the Community Participation Framework, community consultations and monitoring. They will be assisted by the PISC social safeguard experts in continuing with community consultations during implementation, redressal of grievances and social safeguard monitoring.

## VIII. GENDER AND SOCIAL DIMENSIONS

62. **Poverty reduction and social impact.** There are 51.5 million<sup>24</sup> people living in the 34 districts covered by the current project. Rural roads under the additional financing project are located in 16 of these 34 districts where 40.2 million people live. Household surveys carried out in the project area by PDA consultants reveal that the major sources of income are agricultural produce, trade and business, services, and overseas workers' remittances. Among the 16 districts under the additional financing project, the estimated percentage of the poor population is between 27% in Comilla and 57% in Gopalganj. Poverty and social assessment have been conducted, consulting about 3,114 people (753 women) in the additional financing project area. The beneficiaries indicated that the project will increase economic and employment opportunities. The additional financing project will generate an estimated 1.73 million person-days of employment over the construction and maintenance periods.

63. **Gender.** The poverty and social analysis included a gender assessment and 753 women have been consulted at the additional financing project area. Overall, women were supportive of the project because of the potential access to economic opportunities and services. The project is categorized *effective gender mainstreaming*, and a gender action plan (GAP) was prepared, which includes the following activities: (i) target at least 40% women participants community consultations on the project; (ii) provide on-the-job training to all women workers on basic construction, improvement, reconstruction works and maintenance skills; (iii) target an average 20% women labor days created for roads improvement works of the project; (iv) conduct orientation and awareness raising sessions on road safety, gender-based violence (including sexual exploitation and human trafficking) and sexually transmitted infections (STI) prevention to at least 40% of students, teachers, parents, and school management committees along the project roads; (v) implement core labor standards with gender-inclusive provisions and women-friendly work environments; and (vi) conduct technical training of LGED staff including 30% women staff. Gender experts will be hired through the PISC to ensure effective implementation of the GAP (Table 18) and prepare the gender monitoring report.

<sup>24</sup> Government of Bangladesh, Bangladesh Bureau of Statistics. 2019. *Statistical Pocket Book of Bangladesh 2018*. Dhaka.

**Table 18: Gender Action Plan**

Proposed Gender Mainstreaming Activities	Targets and Indicators	Responsible Institutions	Timeframe
<b>Output 1: Rural road conditions between the selected rural communities, productive agricultural areas, and socioeconomic centers improved</b>			
1. Ensure women's employment in the road improvement work opportunities that will be created by the project.	1. On an average 20% women labor days created for roads improvement works of the project.	<ul style="list-style-type: none"> <li>PMU</li> <li>LGED DOs / UZET</li> <li>GS and SDSS, PMU, LGED</li> </ul>	During project implementation
2. Orientation on core labor standards and equal pay conducted for LGED.	2. All eligible project staff and civil workers, including all relevant women staff, reported awareness on core labor standards and equal pay.  3. All bidding documents incorporated provisions for core labor standards and equal pay.	<ul style="list-style-type: none"> <li>PMU</li> <li>LGED DOs / UZET</li> <li>GS and SDSS, PMU, LGED</li> </ul>	During project implementation
3. Provide on-the job training to women workers on basic construction, improvement, reconstruction works and maintenance skills, etc.	4. At least 40% of women (including disadvantaged groups) participated in the project orientation and skills development training (including on basic construction, improvement and reconstruction works, and maintenance skills) conducted for employees in project construction and maintenance.	<ul style="list-style-type: none"> <li>PMU</li> <li>LGED DOs / UZET</li> </ul>	During project implementation
4. Baseline and endline surveys conducted with data segregated based on sex and prevailing social dimensions (i.e., ethnicity/ caste, religion, old age, sexual identity, geographic isolation).	5. Sex-disaggregated data reflected in all QPRs and GAP implementation updates.  6. Baseline and end line surveys have sex-disaggregated data on the different modes of transport and travel patterns of women in rural areas.	<ul style="list-style-type: none"> <li>PMU</li> <li>LGED DOs / UZET</li> <li>GS &amp; SDSS, PMU, LGED</li> </ul>	During project implementation
<b>Output 2: Capacity of rural infrastructure agency and road users in project areas enhanced</b>			
5. Community orientation on project benefits, road safety (incl. road signs), gender-based violence (incl. sexual exploitation, human trafficking) and STI prevention, conducted.	7. At least 40% of students, teachers, parents and SMCs (including 20% women and girls) from schools along project roads.	<ul style="list-style-type: none"> <li>PMU</li> <li>LGED DOs / UZET</li> <li>GS and SDSS, PMU, LGED</li> </ul>	During project implementation
6. Train all LGED project staff including women on relevant issues such as road safety awareness, road assets management, contract management, financial management and climate resilient design and construction.	8. At least two trainings with one refresher on road safety awareness and road assets management using modules developed in previous projects conducted with LGED project staff with all relevant women staff. <sup>a</sup>  9. At least two trainings with one refresher on contract management and financial management using existing modules used in other LGED projects	<ul style="list-style-type: none"> <li>PMU</li> <li>LGED DOs / UZET</li> <li>GS and SDSS, PMU, LGED</li> </ul>	During project implementation

Proposed Gender Mainstreaming Activities	Targets and Indicators	Responsible Institutions	Timeframe
	conducted with LGED staff project with all relevant women staff.  10. At least two trainings with one refresher on climate resilient design and construction using modules developed in other LGED projects <sup>b</sup> conducted with LGED project staff with all relevant women staff.		
7. Conduct orientation and awareness raising sessions on road safety and gender-based violence (including sexual exploitation and human trafficking) and STI prevention.	11. At least 40% of students, teachers, SMCs and parents of schools oriented and received awareness raising sessions on road safety.  12. At least 40% of students, teachers, SMCs and parents of schools participated in awareness raising sessions on gender-based violence (including sexual exploitation and human trafficking) and STI prevention.	<ul style="list-style-type: none"> <li>• PMU</li> <li>• LGED DOs / UZET</li> <li>• GS &amp; SDSS, PMU, LGED</li> </ul>	During project implementation
8. Recruit/promote appointment of women staff at various level of the project in LGED.	13. 15% <sup>c</sup> of women staff <sup>d</sup> recruited at various level of PMU and District and Upazila Offices, LGED.	<ul style="list-style-type: none"> <li>• PMU</li> <li>• LGED DOs / UZET</li> </ul>	During project implementation
9. Gender sensitization (incl. GAP implementation, monitoring and reporting) and orientation is conducted for all LGED project staff and Upazila community organizers. Ensure effective implementation of social safeguards and GAP under the project.	14. Five regional/district level meetings to assess satisfactory incorporation of gender elements, conducted.  15. All eligible women staff and field level community organizers in the 180 project <i>Upazilas</i> reported gained knowledge on gender.	<ul style="list-style-type: none"> <li>• PMU</li> <li>• LGED DOs / UZET</li> <li>• GS &amp; SDSS, PMU, LGED</li> </ul>	During project implementation

CPP = Community Participation Plan; DOs = LGED District Offices; GAP = gender action plan; GS = Gender Specialist; LGED = Local Government Engineering Department; PMU = Project Management Unit; QPR = Quarterly Progress Report; SDSS = Social Development and Safeguards Specialist, SMCs = School Management Committees; TOT = training of trainers; UZET = Upazila Engineering Team.

<sup>a</sup> Staff involved in social mobilization and gender related aspects, such as community mobilizers, social development officers, GAP implementation officers, and staff involved in the reporting and monitoring. It will also include any women engineers involved in the overall project. The same applies also for targets 9 and 10.

<sup>b</sup> Use modules developed under the ADB-financed Coastal Climate Resilient Infrastructure Project.

<sup>c</sup> According to the LGED Gender Forum (last updated on 15 March 2020), there are 1,513 engineers in Bangladesh, among whom 52 (3%) are women.

<sup>d</sup> Quarterly Progress Report of Gender Action Plan, October – December 2017 (Planned – 20% and Achieved – 14%), Sustainable Rural Infrastructure Improvement Project, LGED.

Source: Asian Development Bank.

64. **Labor.** Project construction is expected to generate employment opportunities for local communities during the construction and maintenance phases. Provisions are in the bidding and contractual documents for the contractors to ensure that all the civil works comply with core labor standards (e.g., no child labor; no bonded labor; no work discrimination due to gender, race, and ethnicity; and freedom of association and collective bargaining). This will be monitored by the PISC and reported in the project quarterly progress reports.

65. **HIV and human trafficking.** The proportion of project requiring large and non-local construction workforces is low. Therefore, the risk of spreading communicable diseases including STDs or HIV is low. The social assessment undertaken identified no significant social risks such as HIV/AIDS or human trafficking. LGED will ensure that civil works contractors disseminate information at worksites on the risks of sexually transmitted diseases. All contracts will include clauses on these undertakings, and the government will strictly monitor compliance during implementation. The civil works contractors will carry out STI (including HIV/AIDS) and human trafficking awareness sessions for their laborers at work sites, which will be monitored by the gender experts.

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

### A. Project Design and Monitoring Framework

<b>Impact the Project is Aligned with</b> <b>Current project</b> Connectivity between rural communities, productive agricultural areas, and socioeconomic centers in Bangladesh improved (Seventh Five-Year Plan, FY2016–FY2020) <sup>a</sup> <b>Overall project</b> Unchanged			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<b>Outcome</b>  <b>Current project</b> Transport efficiency and related employment generated in target areas increased  <b>Overall project</b> Unchanged	<b>Current project</b> By 2024: a. Average travel time along project roads reduced by 50% (2018 baseline: 5 minutes per km) <b>Overall project</b> By 2024: Unchanged (RFI 2.4, TI 2.4.1)  <b>Current project</b> By 2024: b. Average daily vehicle-km increased to 67,140 (2018 baseline: 49,160 vehicle-km) <b>Overall project</b> By 2024: Unchanged (RFI 1.3, TI 1.3.1)  <b>Current project</b> By 2024: c. 3.13 million person-days employment generated (at least 20% for women) by road construction, maintenance, and bioengineering activities (2018 baseline: Not applicable)	a.–b. Post-implementation measurement and traffic survey by LGED  c. Quarterly monitoring reports and project completion report by LGED	Extreme weather conditions beyond what is anticipated, causing severe damage to road network

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<b>Overall project</b> By 2024: c. 4.86 million person-days employment generated (at least 20% for women) by road construction, maintenance, and bioengineering activities (2019 baseline: Not applicable)		
<b>Outputs</b>  <b>Current project</b>  1. Rural road conditions between selected rural communities, productive agricultural areas, and socioeconomic centers improved  <b>Overall project</b> Unchanged	1a. <b>Current project</b> By 2023: At least 1,700 km of rural roads improved to all-weather standards with climate resilience and safety features, of which 242 km of rural roads maintained for a period of 5 years <sup>b</sup> (2018 baseline: 0) <b>Overall project</b> By 2023: At least 2,630 km of rural roads improved to all-weather standards with climate resilience and safety features, of which 369 km of rural roads maintained for a period of 5 years <sup>b</sup> (2019 baseline: 0) (RFI 3.2, TI 2.3.5)	Quarterly monitoring reports and project completion report by LGED	Delayed release of counterpart funds could hamper the completion of works  Prolonged impact of the COVID-19 pandemic on global value chains could delay procurement of goods and services, resulting in delayed project completion
<b>Current project</b> 2. Capacity of rural infrastructure agency and road users in project areas enhanced  <b>Overall project</b> Unchanged	2a. <b>Current project</b> By 2023: 100% of LGED project staff, including all women staff, have increased knowledge and skills on road safety awareness, road asset management, contract management, financial management, and climate-resilient design and construction (2018 baseline: 0) <b>Overall project</b> By 2023: Unchanged  2b. By 2023: <b>Current project</b> Manuals for maintenance, climate-resilient design and construction for rural road developed and endorsed by LGED (2018 baseline: Not applicable) <b>Overall project</b> Unchanged  2c. <b>Current project</b> At least 40% of students, teachers, parents and school management committees from schools along project roads acquired knowledge on road safety (2018 baseline: Not applicable) <b>Overall project</b> By 2023:	2a, c.–f. Post-implementation survey by LGED  2b. Government endorsement memo	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	<p>At least 40% of students, teachers, parents, and school management committees from schools along project roads, with 20% of participants to be women and girls, acquired knowledge on community orientation on project benefits, road safety (including road signs), gender-based violence (including sexual exploitation, human trafficking), and sexually transmitted infection prevention (2018 baseline: Not applicable)</p> <p>2d.  <b>Current project</b>            At least 40% of students, teachers, parents and school management committees from schools along project roads acquired knowledge on gender-based violence (including sexual exploitation and human trafficking) and sexually transmitted infection prevention (2018 baseline: Not applicable)  <b>Overall project</b>            By 2023:            Core labor standards and equal pay policies implemented in selection and hiring of men and women in the project (2018 baseline: Not applicable)</p> <p>2e.  <b>Current project</b>            At least 40% women participated in project orientation, planning of project roads (2018 baseline: Not applicable)  <b>Overall project</b>            By 2023:            At least 40% of women (including disadvantaged groups) participated in the project orientation and skills development training (including on basic construction, improvement and reconstruction works, and maintenance skills) conducted for employees in project construction and maintenance (2018 baseline: Not applicable)</p> <p>2f.            By 2023:  <b>Current project</b>            All women workers' skills on road construction and maintenance enhanced (2018 baseline: Not applicable)  <b>Overall project</b>            Unchanged</p>		
<b>Current project</b> 3. Rural road master planning enhanced	3a. <b>Current project</b> By 2023:	Post-implementation	



Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks																		
Overall project Unchanged	Geographic information system developed and integrated with the nationwide road database (2018 baseline: Not applicable) Overall project Unchanged	actions by LGED																			
<b>Key Activities with Milestones</b> <b>1. Rural road condition between selected rural communities, productive agricultural areas, and socioeconomic centers improved</b> 1.1 Award contracts for improving about 2,630 km of roads to all-weather standards by Q2 2021 (changed). 1.2 Complete construction by Q4 2022 (changed). 1.3 Maintain improved roads until Q2 2024 (changed). <sup>b</sup> 1.4 Recruit detailed project report (DPR) preparation consultant from Q2 2020 to Q1 2021. 1.5 Complete DPR preparation activities by Q1 2023. <b>2. Capacity of rural infrastructure agency and road users in project areas enhanced</b> 2.1 Mobilize project implementation support consultants and other capacity development consultants by Q3 2020 (changed). <sup>c</sup> 2.2 Develop capacity development training programs for LGED and project communities by Q4 2020 (changed). <sup>c</sup> 2.3 Conduct the training programs by Q4 2021 (changed). <sup>c</sup> 2.4 Develop manuals for performance-based maintenance, and climate-resilient design and construction by Q1 2021 (changed). <sup>c</sup> <b>3. Rural road master planning enhanced</b> 3.1 Mobilize information technology consultants for road master planning by Q3 2020 (changed). <sup>c</sup> 3.2 Develop capacity development training programs for LGED on system-based road master planning by Q3 2021 (changed). <sup>c</sup>																					
<b>Inputs</b> <table><tr><th colspan="2">Asian Development Bank</th></tr><tr><th>Loan</th><th>Technical Assistance Grant</th></tr><tr><td>\$100.0 million (regular) (current)</td><td rowspan="2">\$1.0 million (current)</td></tr><tr><td>\$100.0 million (concessional) (current)</td></tr><tr><td>\$100.0 million (concessional) (additional)</td><td>\$0 (additional)</td></tr><tr><td>\$100.0 million (regular) (overall)</td><td rowspan="2">\$1.0 million (overall)</td></tr><tr><td>\$200.0 million (concessional) (overall)</td></tr></table> <table><tr><th colspan="2">Government of Bangladesh</th></tr><tr><td>\$85.30 million (current)</td><td rowspan="3"></td></tr><tr><td>\$63.93 million (additional)</td></tr><tr><td>\$149.23 million (overall)</td></tr></table>				Asian Development Bank		Loan	Technical Assistance Grant	\$100.0 million (regular) (current)	\$1.0 million (current)	\$100.0 million (concessional) (current)	\$100.0 million (concessional) (additional)	\$0 (additional)	\$100.0 million (regular) (overall)	\$1.0 million (overall)	\$200.0 million (concessional) (overall)	Government of Bangladesh		\$85.30 million (current)		\$63.93 million (additional)	\$149.23 million (overall)
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Loan	Technical Assistance Grant																				
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\$63.93 million (additional)																					
\$149.23 million (overall)																					
<b>Assumptions for Partner Financing</b> <b>Current project</b> None <b>Overall project</b> Unchanged																					

km = kilometer, LGED = Local Government Engineering Department, Q = quarter, RFI = results framework indicator.

<sup>a</sup> Government of Bangladesh, Planning Commission. 2016. *The Seventh Five-Year Plan (FY2016–FY2020)*. Dhaka. The impact statement was drawn from the government's plan and recast to conform to the Asian Development Bank's design and monitoring framework guidelines.

<sup>b</sup> Routine maintenance of pilot roads will be undertaken for 5 years by the contractors that built the roads. After the project completion date, maintenance of these pilot roads will be financed by the government.

<sup>c</sup> Milestone dates were revised to reflect the implementation progress of the current project.

**Contribution to the ADB Results Framework:**

RFI 2.4 Women and girls with increased time savings (approximately 25 million)

TI 2.4.1 Time-saving or gender-responsive infrastructure assets and/or services established or improved (2,630 km of rural roads)

RFI 1.3 Poor and vulnerable people with improved standards of living (approximately 13 million people)

TI 1.3.1 Infrastructure assets established or improved (2,630 km of rural roads)

RFI People with strengthened climate and disaster resilience (approximately 51.5 million, including 25 million of women and girls)

TI 3.2.5 New and existing infrastructure assets made climate and disaster resilient (2,630 km of rural roads)

Source: Asian Development Bank.

## **B. Monitoring**

66. **Project performance monitoring.** The achievement of the project performance targets will be assessed following the design and monitoring framework. LGED, assisted by the PISC, will establish a project performance management system. Indicators to be monitored include (i) agricultural produce; (ii) traffic volume; (iii) bus and freight transport fares; (iv) travel time or riding speed; (v) vehicle operating costs; (vi) surface roughness; and (vii) road accidents. In addition, socioeconomic secondary data will be obtained at the divisional level, including (a) number of businesses; (b) household income; (c) vehicle ownership; (d) unemployment rate; (e) land value; (f) average travel time to schools; and (g) average travel time to hospitals. These indicators will be monitored before and after construction, both on the project roads and a few control roads. In addition, every year during the project implementation period, LGED will also monitor the (i) road maintenance budget; (ii) staff–km ratio of rural roads; and (iii) road maintenance cost per kilometer. Achievement of the capacity development activities will also be monitored. For civil works, progress will be monitored and reported monthly by the PISC. The project beneficiaries' satisfaction will be surveyed during and after project implementation. Disaggregated baseline data for output and outcome indicators gathered during project preparation will be updated and reported through the quarterly progress reports by LGED, and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.

67. **Compliance monitoring.** Compliance with loan covenants will be monitored through ADB's project administration missions, including the project inception mission to discuss and confirm the timetable for compliance; project review missions to assess the government's compliance with particular loan covenants and, where there is any noncompliance or delay, discuss proposed remedial measures with the government; and midterm review mission, if necessary, to assess whether the covenants are still relevant or need to be changed, or waived due to changing circumstances.

68. **Environmental safeguard monitoring and reporting.** LGED is responsible for undertaking environmental due diligence and monitoring the implementation of environmental mitigation measures for all project roads. The due diligence report as well as monitoring implementation of the EMP needs to be documented systematically. ADB must be given access to undertake environmental due diligence for all project roads, if needed.

69. The monitoring reports will document progress in the EMP implementation of each road. LGED will be supported by the SSS and five DES in the compliance inspection of all roads at least 3 times: pre-, during-, and post-construction. Each contractor's appointed EFP will submit monthly self-monitoring reports following a prescribed format to the jurisdictional District Engineer and DES. These self-monitoring reports are subject to the DES environmental audit for accuracy and from which decisions will be taken for further inspections. The DES periodic inspection reports and contractor's monthly self-monitoring reports will be summarized into quarter, semi-annual, and annual reports by the DES to be reviewed by the SSS. Annual reports will be publicly disclosed on ADB's and LGED's websites.

70. Monitoring during construction is primarily the responsibility of the contractor through self-reporting which relates to the status of EMP and EMoP implementations, including complaints received. The DES and SSS are responsible for monitoring the compliance with construction contracts, effectiveness of mitigation measures, complaints, and overall environmental quality from the results of the third-party ambient environmental monitoring hired by the contractor, as appropriate. Ambient monitoring will follow the approach to selecting quantitative standards, recommended in the ADB's SPS. The PMU will be responsible for the preparation, review, and disclosure of all annual environmental monitoring reports.

71. **Involuntary resettlement monitoring.** LGED, with the support the PISC's social safeguard and gender experts, will set up an internal monitoring system with a set of process, outcome and impact baseline indicators. The social safeguard and gender experts will carry out assessment of the social safeguard monitoring through field work, data verification and consultations, and provide semi-annual social safeguard monitoring reports to LGED who will review and approve them before their submission to ADB. Also, ADB will assess the progress of social safeguard activities during review missions.

72. **Gender monitoring.** The GAP activities will be monitored by the PISC's social safeguard and gender experts and they will submit semi-annual monitoring reports to LGED who will review and approve them before their submission to ADB. Also, ADB will assess the progress of these activities during review missions.

### C. Evaluation

73. The project inception mission will be fielded soon after the legal agreements (where applicable) for the project are declared effective; thereafter, regular reviews will follow, at least annually. As necessary, special loan administration missions and a mid-term review mission will be fielded, under which any changes in scope or implementation arrangements may be required to ensure achievement of overall project objectives. LGED will monitor overall project implementation accordingly to the scheduled and time-bound milestones, and keep ADB informed of any significant deviations that may result in the milestones not being met. Within 6 months of physical completion of the overall project, LGED will submit a project completion report to ADB.<sup>25</sup>

### D. Reporting

74. LGED will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system (Appendix 4); (ii) Environmental and/or Social Monitoring Report (Appendix 5); (iii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, (d) updated implementation plan for the next 12 months; and (iv) a project completion report within 6 months of physical completion of the project. Project accounts and the executing agency audited financial statement together with the associated auditor's report shall be adequately reviewed. The reporting requirements are summarized in Table 19 and are aligned with the deadlines of the current project. Reporting of current project and additional financing will be combined, except for the audited financial statement, with separated tables as appropriate. Safeguards documents and safeguard monitoring reports will be forwarded to ADB for disclosure on the ADB's website.

<sup>25</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

**Table 19: Reporting Requirements**

<b>Report</b>	<b>Frequency (Due Date)</b>
Quarterly Progress Reports	Quarterly (15 days from end of previous quarter)
Environmental Monitoring Report	Semi-annual (15 January and 15 July)
Social Safeguards Monitoring Report	Semi-annual (15 January and 15 July)
Audited Project Financial Statements	Within 6 months of end of fiscal year (31 December)
Consolidated Annual Report	Annually (15 January)
Project completion report	Within 6 months of physical completion of the project

**E. Stakeholder Communication Strategy**

75. Transect walks have been carried out by LGED Upazila offices on each project road involving the local community. Consultation meetings have been held with the local community involving *Union Parishad* chairman/members, and the stakeholders. During the community consultations, LGED officials assisted by the PDA consultants explained various features of the project including design, environmental considerations, land requirement and the process of voluntary donation, mitigation measures and grievance redress procedures. A project information brochure in Bengali has been distributed to the community during these consultation meetings. During implementation, the PISC safeguard team, along with District Offices and PMU staff, will continue the community consultations and the grievance redress process. The consultation activities and grievance redress committee meetings undertaken during the project implementation will be documented in the safeguard monitoring reports.

76. Concerned stakeholders including local communities, local forestry officials, relevant government agencies and nongovernment organizations have been consulted on environmental issues during project preparation. Technical recommendations on project design and biodiversity conservation provided by them have been included in the overall project.

77. Project information will be disclosed to the general public and concerned stakeholders per the following table.

**Table 20: Documents for Disclosure**

<b>Project Document</b>	<b>Means of Communication</b>	<b>Frequency</b>	<b>Audience</b>
Project Data Sheet	ADB's website	Quarterly update	General public
Design and Monitoring Framework	ADB's website	Draft design and monitoring framework after fact-finding mission	General public
Initial Environmental Examination Report	ADB's website LGED's website	Prior to ADB Board consideration	General public, project-affected people in particular
Community Participation Frameworks and Community Participation Plans	ADB's website LGED's website	Post fact-finding mission	General public, project-affected people in particular
Gender Action Plan	ADB's website LGED's website	Post fact-finding mission	General public, project-affected people in particular
Summary Poverty Reduction and Social Strategy	ADB's website LGED's website	Post fact-finding mission	General public, project-affected people in particular
Legal Agreements	ADB's website	after loan signing	General public

<b>Project Document</b>	<b>Means of Communication</b>	<b>Frequency</b>	<b>Audience</b>
Project Administration Manual	ADB's website	After loan negotiations and each succeeding update.	General public
Social and Environment Monitoring Reports	ADB's website LGED's website	semi-annually, within one month of ADB's acceptance of report.	General public

ADB = Asian Development Bank, LGED = Local Government Engineering Department.  
Source: ADB and LGED.

## **X. ANTICORRUPTION POLICY**

78. The government, Ministry of Local Government, Rural Development and Cooperatives and LGED were made aware of ADB's Anticorruption Policy (1998, as amended to date). ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.<sup>26</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.<sup>27</sup>

79. To support these efforts, relevant provisions are included in the loan agreements/regulations and the bidding documents for the project.

80. The government will publish pertinent information relating to the project on LGED's website, including business opportunities associated with the project, and information in relation to procurement of goods, works, and consulting services.

## **XI. ACCOUNTABILITY MECHANISM**

81. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>28</sup>

## **XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL**

82. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

<sup>26</sup> ADB. 1998. [Anticorruption Policy](#).

<sup>27</sup> ADB's Integrity Office web site: <https://www.adb.org/site/integrity/main>.

<sup>28</sup> Accountability Mechanism. <https://www.adb.org/site/accountability-mechanism/main>.

## Appendix 1: Statement of Financial Audit Needs (Auditor's Terms of Reference) Sample

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**[ENTITY NAME: XYZ]**  
**AUDITED PROJECT FINANCIAL STATEMENTS (APFS)**  
**STATEMENT OF AUDIT NEEDS (AUDITOR'S TERMS OF REFERENCE<sup>29</sup>)**

**I. INTRODUCTION**

1. *[A description of the project will be provided with a focus on the purpose for which the funds are intended consistent with broad project objectives and budget. A description of the executing and implementing agencies will be included along with the related accounting and financial management practices, loan amount, financial reporting periods to be audited, and other relevant information that should be brought to the attention of the auditors.]*

**II. MANAGEMENT RESPONSIBILITY FOR PREPARING PROJECT FINANCIAL STATEMENTS**

2. Management is responsible for preparing and fairly presenting the project financial statements, and for maintaining sufficient internal controls to ensure that the financial statements are free from material misstatement, whether due to fraud or error. In addition, management is responsible for ensuring that funds were used only for the purpose(s) of the project, for compliance with financial covenants (where applicable), and for ensuring that effective internal controls, including over the procurement process, are maintained. *[In this regard, management must:*

- (i) Prepare and sign the Project Financial Statements.*
- (ii) Prepare and sign a Statement of Compliance.*

3. *Management must include the following in the Statement of Compliance:*

- (i) That project financial statements are free from material misstatements including omissions and errors, and are fairly presented;*
- (ii) That the borrower or executing agency has utilized the proceeds of the loan only for the purpose(s) of the project;*
- (iii) That the borrower or executing agency was in compliance with the financial covenants of the legal agreement(s) (where applicable);*
- (iv) That the advance fund procedure, where applicable, has been operated in accordance with the Asian Development Bank's (ADB) Loan Disbursement Handbook;*
- (v) That adequate supporting documentation has been maintained to authenticate claims stated on the statement of expenditures (SOE), where applicable, for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account; and*
- (vi) That effective internal control, including over the procurement process, was maintained.]*

**III. OBJECTIVES**

4. The objectives of the audit of the project financial statements is to enable the auditor to (i) express an independent and objective opinion as to whether the project financial statements present fairly, in all material respects, or give a true and fair view of the project's financial position,

<sup>29</sup> This statement of audit needs was developed to guide project teams and executing and implementing agencies in communicating the Asian Development Bank's (ADB) auditing requirements to private auditors. This statement of audit needs may also be used as a guide when communicating auditing requirements with supreme audit institutions, where applicable.

its financial performance and cash flows, and (ii) provide a reasonable assurance opinion over certain specific representations made in the Statement of Compliance. *(please refer to paragraph 10).*

#### IV. AUDITING STANDARDS

5. The *[statutory]* audit is required to be conducted in accordance with *[specify the relevant auditing standards]*. These standards require that the auditor comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the project financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the project financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the project financial statements whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the entity's preparation and fair presentation of the project financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the project financial statements.

6. The standards to be applied will be documented in the project/loan documents, and will include:

*[Option A: Standards promulgated by the International Auditing and Assurance Standards Board (IAASB):*

1. *International Standards on Auditing (ISA); and*
2. *International Standards on Assurance Engagements (ISAE).*

*Option B: Standards promulgated by the International Organisation of Supreme Audit Institutions (INTOSAI):*

1. *International Standards of Supreme Audit Institutions (ISSAI).*

*Option C: National Auditing Standards:*

1. *The auditing standards promulgated by {national authority}. ]*

7. In complying with ISA, the auditor will pay particular attention to the following standards:
- ISA 800/ISSAI 1800 – Special Considerations – Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks.
  - ISA 240/ISSAI 1240 – The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.
  - ISA 250/ISSAI 1250 – Consideration of Laws and Regulations in an Audit of Financial Statements.
  - ISA 260/ISSAI 1260 – Communication With Those Charged with Governance.
  - ISA 265/ISSAI 1265 – Communicating Deficiencies in Internal Control To Those Charged with Governance and Management.



- ISA 330/ISSAI 1330 – The Auditor’s Responses to Assessed Risks.

## V. PROJECT FINANCIAL REPORTING FRAMEWORK

8. The auditor will verify that the project financial statements have been prepared in accordance with *[International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), International Public Sector Accounting Standards (IPSAS) promulgated by the International Public Sector Accounting Standards Board (IPSASB), or national equivalents]*. The executing agency and/or implementing agency are responsible for preparing the project financial statements, not the auditor.

## VI. AUDIT DELIVERABLES

### A. Audited Project Financial Statements

9. An auditor’s opinion providing reasonable assurance over the project financial statements, and project financial statements comprising the following:

**Table 1: Content of the Project Financial Statements**

For Cash-Based Financial Statements	For Accrual-Based Financial Statements
A statement of cash receipts and payments	A statement of financial position (balance sheet)
A statement of budgeted versus actual expenditures	A statement of financial performance (income statement)
A statement of the advance account (where applicable)	A statement of cash flows
A summary statement of expenditures (where applicable)	A statement of changes in net assets/equity (where applicable)
Significant accounting policies and explanatory notes	A statement of the advance account (where applicable)
Any additional schedules agreed (e.g., a summary of assets)	Significant accounting policies and explanatory notes
	Statement of budgeted versus actual expenditures
	Summary statement of expenditures (where applicable)
	Any additional schedules agreed

### B. Reasonable Assurance Opinion over the Use of Loan Proceeds and Compliance with Financial Covenants

10. The auditor will provide a reasonable assurance opinion following *[ISAE 3000 “Assurance Engagements other than Audits or Reviews of Historical Financial Information” or ISSAI 4200 “Compliance Audit Related to the Audit of Financial Statements”]* for the following confirmations provided by Management in the Statement of Compliance:

- That the proceeds of the loan were used only for the purpose(s) of the project; and
- That the borrower or executing agency was in compliance with the financial covenants of the legal agreement(s), where applicable.

11. The auditor will outline the degree of compliance for each of the financial covenants in the loan agreement.

### C. Management Letter

12. The auditor will provide a management letter containing, at a minimum, the following:

- (i) Any weaknesses in the accounting and internal control systems that were identified during the audit, including any irregularity in the use of the advance fund and statement of expenditures (SOE) procedures (where applicable);
- (ii) Any identified internal control weaknesses related to the procurement process such as, over the bidding, evaluation and contract management domains;
- (iii) Recommendations to rectify identified weaknesses;
- (iv) Management's comments on the audit recommendations along with the timeframe for implementation;
- (v) The status of significant matters raised in previous management letters;
- (vi) Any other matters that the auditor considers should be brought to the attention of the project's management; and
- (vii) Details of any ineligible expenditure<sup>30</sup> identified during the audit. Expenditure is considered ineligible if it refers to (i) expenditures incurred for purposes other than the ones intended under the legal agreement(s), where applicable; (ii) expenditures not allowed under the terms of the legal/financing agreements; and (iii) expenditures incurred in violation of applicable government regulations.

#### **D. Specific Considerations**

13. The auditor will, during the course of the audit, pay particular attention to the following:
- (i) The use of external funds in accordance with the relevant legal and financing agreements;
  - (ii) The provision of counterpart funds in accordance with the relevant agreements and their use only for the purposes intended;
  - (iii) The maintenance of proper books and records;
  - (iv) The existence of project fixed assets and internal controls related thereto;
  - (v) Where the audit report has been issued under ISA 800 or ISSAI 1800, it shall include the mandatory Emphasis of Matter paragraph alerting users of the audit report that the project financial statements are prepared in accordance with a special purpose framework and that, as a result, the project financial statements may not be suitable for another purpose. The auditor shall include this paragraph under an appropriate heading;
  - (vi) Where reasonable assurance has been provided using ISAE 3000 or ISSAI 4200, the assurance report must contain, among others:
    - A statement that the engagement was performed in accordance with ISAE 3000 or ISSAI 4200;
    - Subject matter;
    - Criteria for measurement;
    - A summary of the work performed; and
    - The auditor's conclusion.
  - (vii) On the advance fund procedure (where applicable), audit procedures are planned and performed to ensure (a) the advance account (and any sub-accounts) has been managed in accordance with ADB's Loan Disbursement Handbook, (b) the cash balance of the advance account (and any sub-accounts) is supported by evidence, (c) the expenditures paid from the advance account (and any sub-accounts) comply with the approved project purpose and cost categories stipulated in the loan agreement, and (d) the amount of expenditures paid from the advance

<sup>30</sup> If the auditor reports any ineligible expenditure in the management letter, the details of the findings should include the funding source to which the observation relates.

- account (and any sub-accounts) comply with disbursement percentages stipulated in the loan agreement;
- (viii) Adequate supporting documentation has been maintained to authenticate claims stated in the SOE for reimbursement of eligible expenditures incurred and liquidation of advances provided to the advance account (where applicable);
- (ix) On the SOE procedure (where applicable), audit procedures are planned and performed to ensure that (a) the SOEs have been prepared in accordance with ADB's Loan Disbursement Handbook, (b) the individual payments for expenditures stated in the SOE are supported by evidence, (c) the expenditures stated in the SOEs comply with the approved project purpose and cost categories stipulated in loan agreement, and (d) the amount of expenditures stated in the SOEs comply with disbursement percentages stipulated in the loan agreement; and
- (x) Any weaknesses in internal controls over the procurement process.

14. All reports must be presented in the English language within 6 months following the end of the fiscal year.

15. Public disclosure of the project financial statements, including the auditor's opinion on the audited project financial statements, will be guided by ADB's Public Communications Policy (2011). After review, ADB will disclose the audited project financial statements and the opinion of the auditor on the audited project financial statements no later than 14 calendar days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter and the additional auditor's opinions will not be disclosed<sup>31</sup>.

## **VII. OTHER MATTERS**

### **A. Statement of Access**

16. The auditor will have full and complete access, at all reasonable times, to all records and documents including books of account, legal agreement(s) (where applicable), bank records, invoices and any other information associated with the project and deemed necessary by the auditor.

17. The auditor will be provided with full cooperation by all employees of [XYZ] and the project implementing units, whose activities involve, or may be reflected in, the annual project financial statements. The auditor will be assured rights of access to banks and depositories, consultants, contractors and other persons or firms hired by the employer.

### **B. Independence**

18. The auditor will be impartial and independent from any aspects of management or financial interest in the entity or project under audit. In particular, the auditor should be independent of the control of the entity. The auditor should not, during the period covered by the audit, be employed by, or serve as director for, or have any financial or close business relationship with the entity. The auditor should not have any close personal relationships with any senior participant in the management of the entity. The auditor must disclose any issues or relationships that might compromise their independence.

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<sup>31</sup> This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

**C. Auditor Experience**

19. The auditor must be authorized to practice in the country and be capable of applying the agreed auditing standards. The auditor should have adequate staff, with appropriate professional qualifications and suitable experience, including experience in auditing the accounts of projects or entities comparable in nature, size and complexity to the project or entity whose audit they are to undertake. To this end, the auditor is required to provide curriculum vitae (CV) of the personnel who will provide the opinions and reports, together with the CVs of managers, supervisors and key personnel likely to be involved in the audit work. These CVs should include details of audits carried out by these staff, including ongoing assignments.

## Appendix 2: Procurement Plan

### Basic Data

<b>Project Name:</b> Rural Connectivity Improvement Project-Additional Financing		
<b>Project Number:</b> 47243-005	<b>Approval Number:</b>	
<b>Country:</b> Bangladesh	<b>Executing Agency:</b> Local Government Engineering Department	
<b>Project Procurement Classification:</b> Category B	<b>Implementing Agency:</b>	
<b>Project Procurement Risk:</b> Low	N/A	
<b>Project Financing Amount:</b> US\$ 100,000,000 <b>ADB Financing:</b> US\$ 100,000,000 <b>Cofinancing (ADB Administered):</b> <b>Non-ADB Financing:</b>	<b>Project Closing Date:</b> 31 May 2024	
<b>Date of First Procurement Plan:</b> 18 December 2019	<b>Date of this Procurement Plan:</b> 18 December 2019	
<b>Procurement Plan Duration (in months):</b> 18	<b>Advance Contracting:</b> Yes	<b>e-GP:</b> Yes <a href="https://www.eprocure.gov.bd">https://www.eprocure.gov.bd</a>

### A. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, and consulting services.

Procurement of Goods and Works	
Method	Comments
Open Competitive Bidding (OCB) for Goods	N/A
Request For Quotation for Goods	N/A
Open Competitive Bidding (OCB) for Works	Post-review; approved bidding documents of L3731/3732-BAN: RCIP will be used

Consulting Services	
Method	Comments
Quality- and Cost-Based Selection for Consulting Firm	90:10 full technical proposal

### B. Lists of Active Procurement Packages (Contracts)

The following table lists goods, works, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

Goods and Works							
Package Number	General Description	Estimated Value (in US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
CW-38a/RCIP/GPJ	Improvement 3.05 km of rural roads in Gopalganj District	610,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document:

							Small Works e-GP: Yes
CW-38b/RCIP/GPJ	Improvement of 16.84 km of rural roads in Gopalganj District	2,857,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-39a/RCIP/MDR	Improvement of 17.25 km of rural roads in Madaripur District	3,524,100.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-39b/RCIP/MDR	Improvement 14.76 km of rural roads in Madaripur District	2,671,100.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-39c/RCIP/MDR	Improvement 23.01 km of rural roads in Madaripur District	3,165,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic

							Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-39d/RCIP/MDR	Improvement 17.693 km of rural roads in Madaripur District	2,396,700.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-39e/RCIP/MDR	Improvement 8.28 km of rural roads in Madaripur District	1,373,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-40a/RCIP/RJB	Improvement 15.535 km of rural roads in Rajbari	2,523,800.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-40b/RCIP/RJB	Improvement 7.32 km of rural roads in	1,304,100.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes

	Rajbari District						No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-40c/RCIP/RJB	Improvement 21.409 km of rural roads in Rajbari District	2,702,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-41a/RCIP/CUM	Improvement 14.259 km of rural roads in Cumilla District	2,079,900.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-41b/RCIP/CUM	Improvement 15.815 km of rural roads in Cumilla District	2,537,400.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document:



							Small Works e-GP: Yes
CW-41c/RCIP/CUM	Improvement 11.50 km of rural roads in Cumilla District	1,370,000.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works e-GP: Yes
CW-42a/RCIP/CTG	Improvement 10.98 km of rural roads in Chattogram District	2,458,000.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works e-GP: Yes
CW-42b/RCIP/CTG	Improvement 15.93 km of rural roads in Chattogram District	2,725,700.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works e-GP: Yes
CW-42c/RCIP/CTG	Improvement 9.926 km of rural roads in Chattogram District	2,352,600.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference

							Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-42d/RCIP/CTG	Improvement 5.40 km of rural roads in Chattogram District	1,386,800.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-43a/RCIP/JSR	Improvement 14.85 km of rural roads in Jashore District	2,735,700.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-43b/RCIP/JSR	Improvement 12.09 km of rural roads in Jashore District	1,869,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-43c/RCIP/JSR	Improvement 20.909 km of rural roads in Jashore	3,084,900.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1

	District						Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-44a/RCIP/JSR	Improvement 10.515 km of rural roads in Jashore District	2,497,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-44b/RCIP/JSR	Improvement 18.13 km of rural roads in Jashore District	2,943,100.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-44c/RCIP/JSR	Improvement 19.01 km of rural roads in Jashore District	3,003,600.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes

							e-GP: Yes
CW-44d/RCIP/JSR	Improvement 10.927 km of rural roads in Jashore District	2,482,100.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-45a/RCIP/CHU	Improvement 18.00 km of rural roads in Chuadanga District	3,158,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-45b/RCIP/CHU	Improvement 13.106 km of rural roads in Chuadanga District	2,939,800.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-45c/RCIP/CHU	Improvement 11.375 km of rural roads in Chuadanga District	2,302,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No

							Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-46a/RCIP/RJS	Improvement 21.39 km of rural roads in Rajshahi District	2,574,700.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-46b/RCIP/RJS	Improvement 22.44 km of rural roads in Rajshahi District	2,583,600.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-46c/RCIP/RJS	Improvement 27.351 km of rural roads in Rajshahi District	2,773,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-47a/RCIP/RJS	Improvement 20.65 km of rural roads in Rajshahi District	2,597,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1

							Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-47b/RCIP/RJS	Improvement 22.47 km of rural roads in Rajshahi District	3,071,500.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-48a/RCIP/NAO	Improvement 17.98 km of rural roads in Naogaon District	2,508,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-48b/RCIP/NAO	Improvement 12.26 km of rural roads in Naogaon District	1,390,800.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works

CW-48c/RCIP/NAO	Improvement 19.00 km of rural roads in Naogaon District	3,769,100.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	e-GP: Yes Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-48d/RCIP/NAO	Improvement 9.655 km of rural roads in Naogaon District	1,840,400.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	e-GP: Yes Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-48e/RCIP/NAO	Improvement 11.882 km of rural roads in Naogaon	1,480,500.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	e-GP: Yes Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-49a/RCIP/NTR	Improvement 18.18 km of rural roads in Natore	2,913,100.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	e-GP: Yes Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No

							Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-49b/RCIP/NTR	Improvement 9.00 km of rural roads in Natore District	1,332,500.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-49c/RCIP/NTR	Improvement 20.10 km of rural roads in Natore District	3,075,600.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-50a/RCIP/BGR	Improvement 8.87 km of rural roads in Bogura District	1,769,900.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-50b/RCIP/BGR	Improvement 19.21 km of rural roads in Bogura District	2,499,900.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of



							Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-50c/RCIP/BGR	Improvement 6.61 km of rural roads in Bogura District	1,150,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-50d/RCIP/BGR	Improvement 22.425 km of rural roads in Bogura District	3,184,000.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes
CW-51a/RCIP/GBD	Improvement 15.813 km of rural roads in Gaibandha District	1,851,000.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: Yes  Bidding Document: Small Works  e-GP: Yes

CW-51b/RCIP/GBD	Improvement 21.842 km of rural roads in Gaibandha District	1,582,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-52a/RCIP/DNJ	Improvement 19.46 km of rural roads in Dinajpur District	2,624,500.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-52b/RCIP/DNJ	Improvement 18.06 km of rural roads in Dinajpur District	2,907,000.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-52c/RCIP/DNJ	Improvement 20.39 km of rural roads in Dinajpur District	2,338,800.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance

							Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-52d/RCIP/DNJ	Improvement 14.264 km of rural roads in Dinajpur District	2,378,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: Yes Bidding Document: Small Works e-GP: Yes
CW-53a/RCIP/DNJ	Improvement 16.04 km of rural roads in Dinajpur District	2,500,800.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: No Bidding Document: Small Works e-GP: Yes
CW-53b/RCIP/DNJ	Improvement 9.27 km of rural roads in Dinajpur District	1,757,500.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No Domestic Preference Applicable: No Advance Contracting: No Bidding Document: Small Works e-GP: Yes
CW-53c/RCIP/DNJ	Improvement 12.40 km of rural roads in Dinajpur District	1,542,000.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National No. Of Contracts: 1 Prequalification of Bidders: No

							Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works  e-GP: Yes
CW-54a/RCIP/TKG	Improvement 15.303 km of rural roads in Thakurgaon District	2,684,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works  e-GP: Yes
CW-54b/RCIP/TKG	Improvement 4.28 km of rural roads in Thakurgaon District	763,800.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works  e-GP: Yes
CW-54c/RCIP/TKG	Improvement 8.5 km of rural roads in Thakurgaon District	1,675,000.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works  e-GP: Yes
CW-	Improvement	1,726,200.00	OCB	Post	1S1E	Q1 / 2020	Advertising:

54d/RCIP/ TKG	12.983 km of rural roads in Thakurgaon District			(Sampling)			National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works  e-GP: Yes
CW- 55a/RCIP/ PAN	Improvement 17.575 km of rural roads in Panchagarh District	3,282,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works  e-GP: Yes
CW- 55b/RCIP/ PAN	Improvement 20.25 km of rural roads in Panchagarh District	2,986,300.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works  e-GP: Yes
CW- 56a/RCIP/ NIL	Improvement 24.41 km of rural roads in Nilphamari District	2,739,600.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No

							Bidding Document: Small Works e-GP: Yes
CW-56b/RCIP/ NIL	Improvement 8.14 km of rural roads in Nilphamari District	1,337,600.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works e-GP: Yes
CW-56c/RCIP/ NIL	Improvement 17.75 km of rural roads in Nilphamari District	2,877,200.00	OCB	Post (Sampling)	1S1E	Q1 / 2020	Advertising: National  No. Of Contracts: 1  Prequalification of Bidders: No  Domestic Preference Applicable: No  Advance Contracting: No  Bidding Document: Small Works e-GP: Yes

Consulting Services							
Package Number	General Description	Estimated Value (in US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments
CS-04/RCIP/ PMU	Detailed Project Report Consultant (DPRC)	5,000,000.00	QCBS	Prior	FTP	Q2 / 2020	Type: Firm  Assignment: International  Quality-Cost Ratio: 90:10  Advance Contracting: No  e-GP: No  Comments: As agreed with the government

### C. List of Indicative Packages (Contracts) Required Under the Project

The following table lists goods, works, and consulting services contracts for which procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e., those expected beyond the current procurement plan duration).

<b>Goods and Works</b>						
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value (in US\$)</b>	<b>Procurement Method</b>	<b>Review</b>	<b>Bidding Procedure</b>	<b>Comments</b>
None						

<b>Consulting Services</b>						
<b>Package Number</b>	<b>General Description</b>	<b>Estimated Value (in US\$)</b>	<b>Selection Method</b>	<b>Review</b>	<b>Type of Proposal</b>	<b>Comments</b>
None						

### Appendix 3: Outline of Terms of Reference for the Detailed Project Report Preparation Consultant (DPRPC)

#### E. Background

1. During the past decades, rural infrastructure in Bangladesh significantly improved. Despite progress, rural connectivity in Bangladesh remains weak, impeding the physical and economic access. Only 40% rural population has access to all-weather roads, and these roads make up less than 30% of the total length of rural roads in the country. Lack of maintenance caused faster deterioration in roads with huge rehabilitation backlog. The maintenance budgets, covering only 35% of needs, are inadequate. The government has proposed to increase the percentage of rural roads classified as *good* from 43% in 2016 to 80% in 2020.<sup>32</sup> The Local Government Engineering Department (LGED) has launched a road maintenance policy in 2013 to overhaul the rural road maintenance program.

2. The Rural Connectivity Improvement Project (RCIP) and its additional financing (RCIP-AF) support the LGED's maintenance program for the rural roads in districts vulnerable to climate variability and change. The expanded climate-resilient infrastructure in the adjacent rural areas will provide year-round connectivity between agricultural production areas and markets and to other parts of the country. RCIP and RCIP-AF improve the maintenance of the rural roads to climate-resilient standards with a focus on results. The impact is connectivity between rural communities, productive agricultural areas, and socioeconomic centres in Bangladesh improved. The outcome is transport efficiency and related employment generated in target areas increased. The key outputs include (i) Rural road conditions between selected rural communities, productive agricultural areas, and socioeconomic centers improved; (ii) Capacity of rural infrastructure agency and road users in project areas enhanced; and (iii) Rural road master planning enhanced. RCIP-AF will also support the preparation of the detailed project report (DPR) for a possible follow-on project (the project) to be financed by the Asian Development Bank (ADB) and that will scale-up RCIP outputs.

#### F. Objective of the Assignment

3. The main objective of the DPRPC is to support LGED to prepare the project. Project preparation include (i) preparation of the feasibility study and detailed project reports of rural road infrastructure works; (ii) preparation of the project planning, reporting and financial management; (iii) preparation of the economic and financial analysis in accordance with ADB's guidelines, and (iv) preparation of the loan documents for ADB Board consideration including all necessary technical, economic, financial, procurement and safeguard due diligence reports as required by the Government of Bangladesh and ADB.

#### G. Overall Scope of Services

4. The overall scope of services of the assignment shall include but not be limited to:
- (i) Climate risks and vulnerability assessment of project areas; assessment of climate change scenarios in selected districts;
  - (ii) Feasibility studies;
  - (iii) Preparing detailed climate-resilient engineering designs, bidding documents and bill of quantities (BOQ);
  - (iv) Assessment of the selection and eligibility criteria; development of technical,

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<sup>32</sup> Good roads comprise both all-weather (paved) and gravel roads.



- economic, social, and environmental criteria for screening and selecting schemes to be upgraded under the project;
- (v) Construction and maintenance cost estimates for sub-project selected for upgrading;
- (vi) Cost estimates for climate proofing infrastructure proposed for improvement;
- (vii) Sector analysis, design and monitoring framework including baseline data;
- (viii) Economic and financial analysis; financial management assessment, cost estimates and financing plan;
- (ix) Terms of reference for consulting services for the upcoming investment project;
- (x) Gender assessment and action plan; social and safeguards assessment (environment, involuntary resettlement, and indigenous peoples);
- (xi) Comprehensive project proposal in a format suitable for ADB loan processing.
- (xii) Implementation arrangements and project administration manual (PAM);
- (xiii) Capacity and awareness workshops/training for stakeholders on climate change adaptation; and
- (xiv) Lessons from implementation and recommendations for scaling-up and replication in other areas in Bangladesh and possibly other countries as well.

#### H. **Output and Reporting Requirements**

5. The consultant team will submit the following reports to LGED:
  - (i) Inception Report within 30 days of mobilization. The report will provide details for project implementation including specific detail for the initial 12 months.
  - (ii) Quarterly Reports summarizing briefly accomplishments over the previous three months including details of physical and financial progress, capacity building and training, and consultants' activities, any issues and resolution of these, and a work plan for the following three months.
  - (iii) Annual Reports based on Quarterly Reports, summarizing all activities to date, any issues and methods for resolution of these, and planning to achieve future implementation targets.
  - (iv) Mid-term Review Report which will consolidate the Annual Reports and focus on issues during implementation and include a program for completion of the Project.
  - (v) Project Completion Report at the end of the assignment.
  - (vi) Technical reports including feasibility study and detailed designs, bidding documents, BOQ;
  - (vii) Draft report and recommendation of the President (RRP) and all related linked documents (LDs) in ADB format, including all social and environmental safeguard documents.
  - (viii) Operational and instructional manuals and special reports as may be reasonably required by LGED.
  
6. The consultants' outputs will include contributions to the project's milestones, relating to their expertise. All consultant specialist staff are required to coordinate and integrate their activities as necessary. Each individual international and national consultant specialist staff will deliver, to the Team Leader, an inception report, regular progress reports, and a final report on the completion of his/her inputs to project preparation, in accordance with his/her terms of reference. The Team Leader will determine the timing of each consultant specialist staff's outputs at the outset of their involvement with the project, and deliver their reports, with comments on quality, to LGED.

## I. Institutional Arrangements

7. A pool of international and national consultants will be engaged through an international consulting firm. The team leader and the key consultants will work directly with the project management unit (PMU) in Dhaka, headed by the Project Director (PD) of the project. The international team leader will be based in the Dhaka PMU.

## J. Staffing inputs

8. The consulting services will require the experts shown in Table A3.1 on an intermittent basis over 20 months.

**Table A3.1: Required Consulting Services**

Consultancy Package		No. of Staff	person-month
<b>Design &amp; Supervision Consultancy (DSC)</b>			
<b>A. International Consultants:</b>			
1.	Rural Infrastructure Specialist (Team Leader)	1	20
2.	Climate Change Specialist	1	8
3.	Project Economist	1	8
4.	Senior Rural Infrastructure Engineer	1	10
<b>Subtotal A:</b>		<b>4</b>	<b>46</b>
<b>B. National Consultants:</b>			
5.	Climate Change Specialist	1	8
6.	Project Economist	1	8
7.	Senior Rural Infrastructure Engineer (Deputy Team Leader)	1	20
8.	Deputy Rural Infrastructure Engineer	1	20
9.	Hydrologist	1	8
10.	Environmental Specialist	1	8
11.	Social Safeguard Specialist	1	8
12.	Poverty Reduction Specialist	1	8
13.	Social Development and Gender Specialist	1	8
14.	Financial Management Specialist	1	8
15.	Procurement Specialist	1	8
<b>Subtotal B:</b>		<b>11</b>	<b>112</b>
<b>Total [Consultancy Package]</b>		<b>15</b>	<b>158</b>

<b>C. Support Staff</b>			
		No. of Staff	Person-month
01.	Secretary / Manager	1	15
02.	Office support staff	4	60
03.	Driver	3	45
<b>Subtotal C:</b>		<b>8</b>	<b>120</b>
<b>Grand Total [Consultancy + Support Staff]</b>		<b>23</b>	<b>278</b>

## K. Qualification and Experience Requirements of Key Personnel

9. The services will require 4 international consultants for 46 person-months and 11 national consultants for 112 person-months, all with substantial experience relevant to climate change and rural infrastructure development in Bangladesh, with some provision of support staff.

10. **Rural Infrastructure Specialist/Team Leader (international, 20 person-months).** Rural Infrastructure Specialist/Team Leader shall have at least 20 years international work experience including in developing countries in planning and designing rural infrastructure projects with a post graduate degree in civil engineering or related areas. The team leader will manage the team and prepare a comprehensive project proposal in consultation with the stakeholders including the Ministry of Finance, Ministry of Local Government, Rural Development and Cooperatives, LGED and local communities in a format suitable for ADB loan processing. The team leader will be responsible to prepare the project proposal including detailed climate-resilient engineering designs, bidding documents and bill of quantities; climate risks and vulnerability assessment of project areas; sector analysis, RRP and LDs, design and monitoring framework including baseline data; economic and financial analysis; financial management assessment, cost estimates and financing plan; terms of reference for consulting services; gender assessment and action plan; social and safeguard assessment (environment, involuntary resettlement, and indigenous peoples); implementation arrangements; and DPR for the ensuing project. Team leader will also be responsible for production of inception, midterm, and draft and final reports.

11. **Climate Change Specialists (international, 8 person-months; national, 8 person-months).** Climate Change Specialists shall have at least 15 years work experience in climate assessment and designing climate-resilient infrastructure projects with a post graduate degree in relevant areas. The international specialist must have work experience in multiple countries. Climate Change Specialists will be responsible for (i) conducting climate change impact, vulnerability and adaptation assessments; (ii) identifying all potential adaptation solutions, including soft and hard measures; and (iii) incorporating selected adaptation priorities into the project design, including institutional arrangements and budget.

12. **Project Economists (international, 8 person-months; national, 8 person-months).** The project economists shall have at least 15 years work experience in agriculture and rural infrastructure projects with a post graduate degree in economics. The international economist must have work experience in multiple countries. The economists will (i) prepare the project's detailed budget and investment plan based on the detailed design cost; (ii) analyze policy distortions and recommend appropriate policy adjustments; and (iii) undertake a detailed economic and financial analysis of the project in accordance with ADB's Guidelines on the economic analysis of projects.

13. **Senior Rural Infrastructure Engineers/Deputy Team Leader (international, 10 person-months; national 20 person-months).** Senior Rural Infrastructure Engineers shall be senior qualified civil engineers with degree in civil/highway engineering with at least 15 years extensive experience in the design and implementation of rural road projects. The international Senior Rural Infrastructure Engineer must have work experience in multiple countries. The national Senior Rural Infrastructure Engineer will also be the deputy team leader. The engineers will (i) assist the team leader in feasibility study, preparing detailed climate-resilient engineering designs, bidding documents and BOQ; (ii) assess the selection and eligibility criteria; (iii) develop technical, economic, social, and environmental criteria for screening and selecting schemes to be upgraded under the project; (iv) verify construction and maintenance cost estimates for sub-

project selected for upgrading; and (v) check and finalize cost estimates for climate proofing infrastructure proposed for improvement.

**14. Deputy Rural Infrastructure Engineer (national, 20 person-months).** Deputy Rural Infrastructure Engineer shall be a qualified civil engineer with degree in civil/highway engineering with at least 10 years extensive experience in the design and implementation of rural road projects. Deputy Rural Infrastructure Engineer will assist the Senior Rural Infrastructure Engineers (i) in feasibility study, preparing detailed climate-resilient engineering designs, bidding documents and BOQ; (ii) assessing the selection and eligibility criteria; (iii) developing technical, economic, social, and environmental criteria for screening and selecting schemes to be upgraded under the project; (iv) verifying construction and maintenance cost estimates for sub-project selected for upgrading; and (v) checking and finalizing cost estimates for climate proofing infrastructure proposed for improvement.

**15. Hydrologist (national, 8 person-months).** The Hydrologist will be shall have at least 15 years extensive experience in the design and implementation of rural road projects with a post graduate degree in relevant areas. The hydrologist will (i) recommend options for improving design criteria of the rural infrastructures (roads, embankments, bridges, culverts, etc.) based hydrological analysis considering climate change scenario; (ii) review lessons learned from previous rural infrastructure projects of LGED from hydrological analysis perspective; and (iii) provide support to the design engineers to come up with an improved climate resilient rural infrastructure design.

**16. Environmental Specialist (national, 8 person-months).** The environmental specialist shall have a post graduate degree in relevant field and at least 10 years work experience on environmental issues in development projects. The consultant will prepare safeguard documents including the project's likely positive and negative environmental impacts and risks, identifying the safeguard principles applicable to project and preparing a matrix how the environmental safeguards are triggered by the project. Detailed tasks include (i) the preparation of a diagnostic assessment of applicable and relevant laws, regulations, rules, and procedures for managing and mitigating the likely impacts of the project (focusing on the ADB's Safeguard Policy Statement, 2009 principles); (ii) assessment on the country's implementation practice, capacity, and commitment to plan, implement, monitor, and report on the safeguard measures for the project; (iii) gap assessment and preparation of safeguard related project actions to address the identified weaknesses, including consideration on the need for capacity strengthening measures (such as through consultant or technical assistance support); and (iv) identification of measures for monitoring environmental safeguard systems performance.

**17. Social Safeguard Specialist (national, 8 person-months).** The social safeguard specialist will have a post graduate degree in relevant field and at least 10 years work experience on safeguard issues in development projects. The consultant will prepare safeguard documents including the project's likely positive and negative involuntary resettlement, and indigenous peoples impacts and risks, identifying the safeguard principles applicable and preparing a matrix how the involuntary resettlement, and indigenous peoples safeguards are triggered by the project. Detailed tasks include (i) the preparation of a diagnostic assessment of applicable and relevant laws, regulations, rules, and procedures for managing and mitigating the likely impacts of the project (focusing on the ADB's Safeguard Policy Statement, 2009 policy principles); (ii) assessment on the country's implementation practice, capacity, and commitment to plan, implement, monitor, and report on the safeguard measures for the project; (iii) gap assessment and preparation of safeguard related project actions to address the identified weaknesses, including consideration on the need for capacity strengthening measures (such as through

consultant or technical assistance support); and (iv) identification of measures for monitoring social safeguard systems performance.

18. **Poverty Reduction Specialist (national, 8 person-months).** The specialist will have a post graduate degree in relevant field and at least 10 years work experience on poverty issues in development projects. The poverty reduction specialist will (i) collect socioeconomic data as required; (ii) analyze the socioeconomic data required for benchmark information on poverty and its distribution and for poverty impact ratio analyses; (iii) develop poverty and social selection criteria; and (iv) develop a results-based monitoring and evaluation system.

19. **Social Development and Gender Specialist (national, 8 person-months).** The gender specialist will (i) gather gender related data and information and develop and suggest mechanisms whereby degree of women's effective participation can be improved in management, as users and as beneficiaries; (ii) recommend steps to incorporate gender criteria into the project monitoring system; (iii) prepare a budget for gender and development activities; and (iv) prepare gender related actions.

20. **Financial Management Specialist (national, 8 person-months).** The specialist (CA, CPA or equivalent) will have at least 10 years work experience on financial management assessment. The financial management specialist will (i) assess the government's expenditure framework for the project including the government annual budget, the medium-term expenditure framework covering the effectiveness, efficiency and economy, and adequacy of the expenditure framework for the project; (ii) assess the adequacy and sustainability of the financing plan for the project; (iii) conduct the fiduciary related financial management system assessment covering the accountability and transparency of the financial management system; and (iv) prepare the risk mitigation measures and actions.

21. **Procurement Specialist (national, 8 person-months).** The procurement specialist will have at least 10 years work experience in procurement with a post graduate degree in civil engineering, business administration or related areas. The specialist will (i) advise and assist in the preparing suitable bid documents for the different types of project works packages, (ii) prepare standard bid documents templates for the different types of contract packages to be used in the project, (iii) assist team leader and the PMU in preparing procurement plans including annual procurement plans for goods and works and suggest methods to be used, (iv) assess ongoing procurement reforms including e-procurement in the country, and feedback from the donor funded projects on the systemic issues, and (v) suggest how the procurement can be further strengthened through this project.

## **I. Counterpart Support**

22. All officials under the PMU will be the key government counterpart officials. Aside from the PMU staff, existing staff of LGED at Headquarter, Division, Region, District, and Sub-district levels will also work as counterpart staff.

23. Both the counterpart government officials at PMU and regular LGED set-up will provide all kinds of assistance to the consultant team in rendering their services.

24. LGED will provide the consultants with suitable office space only. LGED will provide project data and reports available to the consultant.

25. Office furniture, hardware and software, lighting, electricity including consumption bills, air conditioning, communication and other consumables will be at the cost of the consultant.

26. Any non-consumable items purchased under this consultancy package shall be handed over to LGED after completion of the contract.

**Appendix 4: Quarterly Progress Report Template**

**Loan: xx**  
**Quarterly Progress Report**  
**(January – March 20xx)**

**Executing / Implementing Agency**

# Contents

Chapter 1	Project at A Glance
Chapter 2	Status of EA and Consultant(s) Staffing
Chapter 3	Status of Input(s) (Procurement and Consultant Recruitment)
Chapter 4	Progress on Project Output(s)
Chapter 5	Status of Last Action Plan <i>(Previous ADB Review Mission/TPRM / last Progress Report)</i>
Chapter 6	States of Major Loan Covenants
Chapter 7	Key Implementation Challenges and Proposed Actions
Chapter 8	Financial Management
Attachment 1: Status of Ongoing Contract Packages Attachment 2: Status Consultants Staffing Attachment 3: Consultants' Performance Evaluation Report Attachment 4: Detailed reconciliation (by Withdrawal application) of project records and ADB disbursement records (LFIS/GILFIS) for the fiscal year to date and cumulative; Attachment 5: Status of FM action plan (completed/ongoing) Attachment 6: Status of past audit observations (resolved/ pending);	

## PROJECT AT A GLANCE

*Brief project description to be filled by project team (one-time entry; to be update only in case of change)*

## 1. LOAN MILESTONE

Milestone	Approval	Signing	Effective	Orig. Closing	Rev. Closing
Dates					
Extensions (Nos)				Time Remaining	

## 2. LOAN UTILIZATION STATUS (\$MILLION)

Cat.	Description	Allocation	Contracts	Unutilized loan balance	Disbursed	Undisb. Contract balance	Overall Undisbursed
		(a)	(b)	(c) =(a-b)	(d)	(e)=(b-d)	(f)=(a-d)

## 3. Potential Loan Savings (if any) and likely Cancellation Date.

## 4. STATUS OF COUNTERPART FUNDS (\$ MILLION)

Required Counterpart Expenditure by the EA	Budgeted by State Govt. in Current Financial Year	Actual Amount Released	Shortfall /Excess
1.Non-reimbursables Activities fully funded by the EA (LA/R&R etc)			
2. Reimbursable (from loan)			

## 5. STATUS OF CONTRACT AWARDS AND DISBURSEMENTS (\$ MILLION) IN CY XXXX

Indicator	Quarter	I	II	III	IV	Total
Contract Award	Target					
	Achieved					
	Balance					
Disbursement	Target					
	Achieved					
	Balance					

[Targets – for the ADB financing compare the actual disbursement with the disbursement projections as per the S curve included in the PAM ), Include an analysis of significant variances between planned and actual disbursements; and]

## 6. STATUS OF PROJECT REPORTS TO BE SUBMITTED TO ADB

Type of Reports	Frequency	Due Date	Status
Environmental Monitoring Report			



<b>Social Monitoring Report</b>			
<b>Audited Project Accounts</b>			
<b>Gender Action Monitoring Report</b>			

## CHAPTER 2

### STAFFING

#### 1. STATUS OF PMU/PIU STAFFING

1 a	Is the Project Director (PD) currently posted?	Yes/ No	Nature of PD posting	Part Time/Full Time
1 b	Current PD is posted since when?	xx		
2 a	No. of PMU staff as agreed with ADB or as per Org Structure in PAM/FAM/RRP.	xx	Actual no. of PMU staff in place at present.	
			Full Time	
			Additional Charge	
2 b	Details of PMU Positions which are currently vacant.	-		
3 a	Are PIUs required to be established in the Project?	Yes/ No	Are PIUs fully staffed	
3 b	No. of PIUs required as agreed with ADB in Org Structure in PAM/FAM/RRP	11	Actual no. of PIUs	

#### 2. MOBILIZATION STATUS OF CONSULTANT'S STAFFING (KEY EXPERT POSITIONS) AND THEIR PERFORMANCE

(Please provide your overall feedback in narrative statement e.g. key issues overall performance etc. and attach staffing status and Consultant's Performance Evaluation Report (PER): Attachment 2 & 3)

## CHAPTER 3

## STATUS OF PROCUREMENT &amp; CONTRACT MANAGEMENT

## A. Contract Awards [as of date] [note: double-click table to enter Excel sheet]

Cost Category under which Procurement is carried out	ADB Financing	Cumulative Contract Awards	Uncontracted Loan Balance	Cumulative Disbursements
Civil Works	\$..... million	\$..... million (xx Pkgs awarded)	\$..... million	\$..... million
Equipment	\$..... million	\$..... million (xx Pkgs awarded)	\$..... million	\$..... million
Consultants	\$..... million	\$..... million (xx Pkgs awarded)	\$..... million	\$..... million
<b>Total</b>	<b>\$..... million</b>	<b>\$..... million</b>	<b>\$..... million</b>	<b>\$..... million</b>

(Please attach Contract Monitoring Sheet indicating status of each of the awarded contracts in Attachment -1)

## A. Status of Remaining Procurement

S N	Component	Remaining Contract Packages			
		No of pkgs with cost	Brief Scope	Current Stage	Target Date of Award
1	Civil Works	xx (\$... million)	km of road rehabilitation/ house service connections in xx towns	- IFB to be issued - Under Tech Evaluation - Under Fin. Evaluation - Under Contract Negotiation - Under Contract Signing	MM/YYYY
2	Equipment	xx (\$...million)			MM/YYYY
3	Consultants	xx (\$...million)			MM/YYYY
	<b>Total xx Packages</b>	<b>\$xx million</b>			<b>(Target date of the latest procurement)</b>

**CHAPTER 4**

**PROGRESS ON PROJECT OUTPUTS (AS IN**

**)**

Output	Monitoring Indicators/Targets	Progress		Remarks
		Last Quarter	Current Quarter	

*Detailed status of ongoing contracts is in Attachment 1.*

**CHAPTER 5****STATUS OF ACTION PLAN**

(Please include issues previously discussed during previous  
*ADB Review Missions/TPRM/Progress Report* and their compliance/status)

<b>SN</b>	<b>Issues/ Action Plan</b>	<b>Responsibility</b>	<b>Time Frame</b>	<b>Status</b>

## CHAPTER 6

### COMPLIANCE WITH MAJOR COVENANTS

S.N.	Covenants	Compliance (Y/N) *	Remarks
1			
2			
3			
4			
5			
6			

*\*In case of any exceptions, deviations, non-adherence identified, please provide details as an “Annexure” to the QPR highlighting the shortcomings and proposed time-bound corrective action plans to achieve compliance.*

**CHAPTER 7**

**(KEY IMPLEMENTATION ISSUES/ CHALLENGES  
AFFECTING PROJECT PROGRESS AND PROPOSED ACTIONS)**

<b>S.N.</b>	<b>MAJOR ISSUES*</b>	<b>Actions</b>	<b>Responsibility</b>	<b>Time Frame</b>
<b>1</b>	<b>Planning Issues.</b> (Change in design/scope/implementation arrangement/cost overrun/staffing.....)			
<b>2</b>	<b>Contract and Construction Issues.</b> Mobilization of Contractor(s)/ Issuance of Good for construction drawings/ Utility Sifting /Handing over site/ variations order etc. /Pending Payments			
<b>3.</b>	<b>Safeguard issues during Construction</b> (Land acquisition / Resettlement /tree cutting/ to the contractor(s))			
<b>4.</b>	<b>Other Issues.</b>			

*\*In case issue identified, please provide details e.g. details of change in design/ implementation arrangements, pending safeguards actions, encumbrance free sites to be handed over to the contractor (numbers/kilometer) with targeted date by which the same could be handed over to the contractor; If all Drawings/Design are not issued/approved, name of such Drawings/Design and targeted date by which the same could be handed over to the contractor; Decision pending with employer and consultants (such decision could be approval of, variations, extra item rate, etc.)*

## CHAPTER 8

### (FINANCIAL MANAGEMENT AND RECONCILIATION WITH ADB DISBURSEMENT RECORDS)

#### i. Reconciliation of Project records and ADB's disbursement records,

[Include here a summary reconciliation of project records and ADB disbursement records (LFIS) for the reporting period and cumulative from project inception to end of the reporting period.

Explain reasons for discrepancies and outline follow-up actions required (if any). Attach a detailed reconciliation by WA as per [Attachment 4](#)

#### ii. Status of the project's Financial management arrangements

[Here include the following:

- Describe any problems in the existing FM arrangements and /or flow of funds and any significant changes occurred during the reporting period (e.g. FM staff turnover, implementation of new financial systems, emerging FM related risks etc.);
- Summarize the status of each agreed action in the FM action plan outlined in the PAM. Attach a detailed log as per [Attachment 5](#)
- Outline the status of recommendations and immediate actions provided by ADB as part of the APFS/AEFS review (if any) and FM related recommendations agreed during ADB review missions (if any); and,
- Summarize the status of Status of past audit observations (if any). Attach a detailed log as per [Attachment 6](#).

## Attachments:

<b>Attachment 4. Detailed reconciliation (by Withdrawal application) of project records and ADB disbursement records (LFIS/GILFIS) for the fiscal year to date and cumulative;</b>										
<b>WA details</b>			<b>Per project records/APFS (Amount recorded in the project Financial statements as reimbursement, direct payment, etc..)</b>				<b>Per ABD disbursement records LFIS/GFIS (actual Paid)</b>			
Withdrawal application No (WA)	Disbursement method (reimbursement, direct payment, etc..)	Time period covered in the WA	Date	In local currency (as recorded in project records/ financial statements)	exchange rate	USD equivalent (A)	Value date	In USD (B)	Difference (A-B)	Reason for difference (i.e. timing forex. Pending rejected)
1		1-31.3.2020		XX		XX		XX		
2				XX		XX		XX		
3				XX		XX		XX		
etc..										
<b>Total in Fiscal year to date</b>				XX		XX		XX		
<b>Total Cumulative to date</b>				XX		XX		XX		



Attachment 5: Status of Financial Management Action Plan					
Key Risk	Risk Mitigating Activity	Timeline	Responsible Entity	Current status (implemented/Pending)	Remarks (including planned actions and timeline in case of noncompliance)

Attachment 6: Status of external audit observations – Cumulative from inception to end of reporting period						
Recommendation/audit observation	external audit recommendation	Date of the recommendation	Planned action to address the recommendation	Responsibility	Current Status of the planned action (pending /resolved)	Remarks

## Attachments:

Attachment 4. Detailed reconciliation (by Withdrawal application) of project records and ADB disbursement records (LFIS/GILFIS) for the fiscal year to date and cumulative;										
WA details			Per project records/APFS (Amount recorded in the project Financial statements as reimbursement, direct payment, etc..)				Per ABD disbursement records LFIS/GFIS (actual Paid)			
Withdrawal application No (WA)	Disbursement method (reimbursement, direct payment, etc..)	Time period covered in the WA	Date	In local currency (as recorded in project records/ financial statements)	exchange rate	USD equivalent (A)	Value date	In USD (B)	Difference (A-B)	Reason for difference (i.e. timing forex. Pending rejected)
1		1-31.3.2020		XX		XX		XX		
2				XX		XX		XX		
3				XX		XX		XX		
etc..										
<b>Total in Fiscal year to date</b>				XX		XX		XX		
<b>Total Cumulative to date</b>				XX		XX		XX		

Attachment 5: Status of Financial Management Action Plan					
Key Risk	Risk Mitigating Activity	Timeline	Responsible Entity	Current status (implemented/Pending)	Remarks (including planned actions and timeline in case of noncompliance)

Attachment 6: Status of external audit observations – Cumulative from inception to end of reporting period						
Recommendation/audit observation	external audit recommendation	Date of the recommendation	Planned action to address the recommendation	Responsibility	Current Status of the planned action (pending /resolved)	Remarks

**Appendix 5: Environmental and/or Social Monitoring Report Template**

# {Environmental and/or Social} Monitoring Report

**Legend**

black text without brackets = mandatory  
standard wording

{black text within brackets} = {optional  
standard wording}

red text = instructions for writer

blue text = hyperlinked text

---

# {Annual/Semestral/Quarterly} Report  
{Month Year}

{Short Country Name}: {Project Title-Subproject}

Prepared by {complete and accurate name of implementing agency or external monitoring agency} for the {complete name of the borrower} and the Asian Development Bank.

**CURRENCY EQUIVALENTS**

(as of {Day Month Year})

{The date of the currency equivalents must be within 2 months from the date on the cover.}

Currency unit	–	{currency name in lowercase (Symbol)}
{Symbol} 1.00	=	\${ }
\$1.00	=	{Symbol_____}

**ABBREVIATIONS**

{AAA}	–	{spell out (capitalize only proper names)}
{BBB}	–	{spell out}
{CCC}	–	{spell out}

**{WEIGHTS AND MEASURES}**

{symbol 1 (full name 1)}	–	{Definition 1}
{symbol 2 (full name 2)}	–	{Definition 2}
{symbol 3 (full name 3)}	–	{Definition 3}

**{GLOSSARY}**

{Term 1}	–	{Definition 1}
{Term 2}	–	{Definition 2}
{Term 3}	–	{Definition 3}

**NOTE{S}**

- (i) The fiscal year (FY) of the Government of {name of borrower} {and its agencies} ends on {day month}. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2011 ends on {day month} 2011. {Note: If FYs are not referred to within the text, delete the entire note and change NOTES to NOTE.}
- (ii) In this report, "\$" refers to United States dollars {if a second \$ currency is referred to in the text, e.g., NZ\$ or S\$, add: unless otherwise stated}. {In the text, use "\$" for United States dollars and the appropriate modifier, e.g., NZ\$ or S\$, for other currencies that use the "\$" symbol.}

This {environmental and/or social} monitoring report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

{Read and delete:

- (i) **Guidelines:** Following requirements of the ADB Safeguard Policy Statement (2009) and the *Operations Manual* section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. Borrowers/clients are required to submit the following monitoring reports for ADB review:

Project Category	Frequency of Reports
Environment category A	<ul style="list-style-type: none"> <li>• Semi-annual monitoring reports during project construction</li> <li>• Annual monitoring reports during project operation</li> </ul>
Environment category B	<ul style="list-style-type: none"> <li>• Periodic monitoring reports as deemed appropriate</li> </ul>
Involuntary resettlement category A and B	<ul style="list-style-type: none"> <li>• Semiannual monitoring reports</li> </ul>
Indigenous peoples category A and B	<ul style="list-style-type: none"> <li>• Semiannual monitoring reports</li> </ul>
Highly complex and sensitive deemed by ADB	<ul style="list-style-type: none"> <li>• Quarterly monitoring reports</li> </ul>

The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social and environmental impacts. A safeguard monitoring report may include the following elements:

- (a) Background/context of the monitoring report (adequate information on the project, including physical progress of project activities, scope of monitoring report, reporting period, and the monitoring requirements including frequency of submission as agreed upon);
  - (b) Changes in project scope and adjusted safeguard measures, if applicable;
  - (c) Qualitative and quantitative monitoring data;
  - (d) Monitoring parameters/indicators and methods based on the monitoring plan/program previously agreed upon with ADB;
  - (e) Monitoring results compared against previously established benchmarks and compliance status (e.g., national environmental emission and ambient standards and/or standards set out in the WB's EHS guidelines; timeliness and adequacy of environmental mitigation measures; IR compensation rates and timeliness of payments, adequacy and timeliness of IR rehabilitation measures including serviced housing sites, house reconstruction, livelihood support measures, and training; budget for implementing EMP, RP, or IPP, timeliness and adequacy of capacity building, etc.);
  - (f) Monitoring results compared against the objectives of safeguards or desired outcomes documented (e.g. IR impacts avoided or minimized; livelihood restored or enhanced; IP's identity, human right, livelihood systems and cultural uniqueness fully respected; IP not suffer adverse impacts, environmental impacts avoided or minimized, etc.);
  - (g) If noncompliance or any major gaps identified, include a corrective action plan;
  - (h) Records on disclosure of monitoring information to affected communities;
  - (i) Identification of key issues, or complaints from affected people, or recommendations for improvement;
  - (j) Monitoring adjustment measures recommended based on monitoring experience/trends and stakeholders response;
  - (k) Information about actual institutional arrangement for implementing the monitoring program/plan provided or adjusted, as may be required;
  - (l) Proposed items of focus for the next report and due date.
- (ii) **Page limit:** Not applicable.
- (iii) **SEC editing:** Not required.}

## Outline of a Project Environmental Progress and Monitoring Report

The borrower/client is required to prepare periodic monitoring reports that describe progress with implementation of the project EMP and compliance issues and corrective actions. A sample outline which can be adapted as necessary is provided below. Not all sections will be relevant in all cases. Ranking systems for compliance, mitigation effectiveness, etc., are indicative examples only, and can be modified as appropriate.

### 1. Introduction

- 1.1. Report Purpose
- 1.2. Project Implementation Progress

### 2. Incorporation of Environmental Requirements into Project Contractual Arrangements

Manner by which EMP requirements are incorporated into contractual arrangements, such as with contractors or other parties.

### 3. Summary of Environmental Mitigations and Compensation Measures Implemented

Based on EMP; may include measures related to air quality, water quality, noise quality, pollution prevention, biodiversity and natural resources, health and safety, physical cultural resources, capacity building, and others.

### 4. Summary of Environmental Monitoring

- 4.1. Compliance Inspections (if relevant)
  - 4.1.1. Summary of Inspection Activities
  - 4.1.2. Mitigation Compliance<sup>33</sup>
  - 4.1.3. Mitigation Effectiveness<sup>34</sup>
- 4.2. Emission Discharge (Source) Monitoring Program (if relevant)
  - 4.2.1. Summary of Monitoring
  - 4.2.2. Results

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<sup>33</sup> Overall compliance with mitigation implementation requirements could be described in qualitative terms or be evaluated based on a ranking system, such as the following:

- 1. Very Good (all required mitigations implemented)
- 2. Good (the majority of required mitigations implemented)
- 3. Fair (some mitigations implemented)
- 4. Poor (few mitigations implemented)
- 5. Very Poor (very few or no mitigations implemented)

Additional explanatory comments should be provided as necessary.

<sup>34</sup> Effectiveness of mitigation implementation could be described in qualitative terms or be evaluated based on a ranking system, such as the following:

- 1. Very Good (mitigations are fully effective)
- 2. Good (mitigations are generally effective)
- 3. Fair (mitigations are partially effective)
- 4. Poor (mitigations are generally ineffective)
- 5. Very Poor (mitigations are completely ineffective)

Additional explanatory comments should be provided as necessary.



4.2.3. Assessment<sup>35</sup>

## 4.3. Ambient Monitoring Program (if relevant)

## 4.3.1. Summary of Monitoring

## 4.3.2. Results

4.3.3. Assessment<sup>36</sup>**5. Key Environmental Issues**

## 5.1.1. Key Issues Identified

## 5.1.2. Action Taken

## 5.1.3. Additional Action Required

**6. Conclusion**6.1. Overall Progress of Implementation of Environmental Management Measures<sup>37</sup>

## 6.2. Problems Identified and Actions Recommended

**Appendixes**

## 1. Site Inspection / Monitoring Reports

## 2. Ambient Monitoring Results

## 3. Photographs

Other

<sup>35</sup> Discharge levels should be compared to the relevant discharge standards and/or performance indicators noted in the EMP. Any exceedences should be highlighted for attention and follow-up. In addition, discharge levels could be compared to baseline conditions (if baseline data is available) and described in qualitative terms or be evaluated based on a ranking system, such as the following:

1. Very Good (overall conditions are generally improved)
2. Good (conditions are maintained or slightly improved)
3. Fair (conditions are unchanged)
4. Poor (conditions are moderately degraded)
5. Very Poor (conditions are significantly degraded)

Additional explanatory comments should be provided as necessary.

<sup>36</sup> Ambient environmental conditions should be compared to the relevant ambient standards and/or performance indicators noted in the EMP. Any exceedences should be highlighted for attention and follow-up. In addition, ambient environmental conditions could be compared to the baseline conditions (if baseline data is available) and described in qualitative terms or be evaluated based on a ranking system, such as the following:

1. Very Good (overall conditions are generally improved)
2. Good (conditions are maintained or slightly improved)
3. Fair (conditions are unchanged)
4. Poor (conditions are moderately degraded)
5. Very Poor (conditions are significantly degraded)

Additional explanatory comments should be provided as necessary.

<sup>37</sup> Overall sector environmental management progress could be described in qualitative terms or be evaluated based on a ranking system, such as the following:

1. Very Good
2. Good
3. Fair
4. Poor
5. Very Poor

Additional explanatory comments should be provided as necessary.

## OUTLINE OF SOCIAL SAFEGUARDS MONITORING REPORT DURING PROJECT IMPLEMENTATION PERIOD

Following requirements of the ADB Safeguard Policy Statement (2009) and the *Operations Manual* section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. For projects categorized as B in Involuntary Resettlement and/or Indigenous People, the Borrowers/clients are required to submit semiannual monitoring reports for ADB review. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (IR and IP) and with the current status of project implementation phase.

This outline can be used for semiannual monitoring report and resettlement plan completion report to start the civil works in the impacted areas. A safeguard monitoring report may include the following elements:

### A. Executive Summary

This section provides a concise statement of project scope and impacts, key findings and recommended actions.

### B. Background of the Report and Project Description

This section provides a general description of the project, including:

- Background/context of the monitoring report which includes the information on the project, project components, safeguards categorizations and general scope of the social safeguards impacts.
- Information on the implementation progress of the project activities, scope of monitoring report and requirements, reporting period, including frequency of submission and changes in project scope and adjusted safeguard measures, if applicable
- Summary table of identified impacts and the mitigation actions.

### C. Scope of Impacts

This section outlines the detail of

- Scale and scopes of the project's safeguards impacts,
- Vulnerability status of the affected people/communities,
- Entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final Resettlement Plans.

### D. Compensation and Rehabilitation<sup>38</sup>

This section describes the process and progress of the implementation of the safeguards plan and other required activities as determined in the plan. This includes:

- Payment of the affected assets compensation, allowances, loss of incomes, etc. to the entitled persons;
- Provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan.

Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided.

### E. Public participation and consultation

<sup>38</sup> Depending on the status of the final detail design during the submission of the report this activity might not yet started. Provide the information on the expected date the activity to be conducted instead.

This section describes public participation and consultations activities during the project implementation as agreed in the plan. This includes final consultations with APs during RP finalization after the completion of detail design; the numbers of activities conducted; issues raised during consultations and responses provided by the project team, implementing NGOs, project supervision consultants, contractors, etc.

#### **F. Grievance Redress Mechanism (GRM)**

This section described the implementation of project GRM as design in the approved RP. This includes evaluations of its effectiveness, procedures, complaints receive, timeliness to resolve issues/ complaints and resources provided to solve the complaints. Special attentions should be given if there are complaints received from the affected people or communities.

#### **G. Institutional Arrangement**

This section describes the actual implementation or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit/ team and appointment of staff in the EA/IA; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards issues, the roles of NGO and women's groups in the monitoring and implementation of the plan, if any.

#### **H. Monitoring Results - Findings**

This section describes the summary and key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status (e.g., adequacy of IR compensation rates and timeliness of payments, budget for implementing EMP and RP timeliness and adequacy of capacity building, etc.). It also compared against the objectives of safeguards or desired outcomes documented (e.g. IR impacts avoided or minimized; livelihood restored or enhanced; IP's identity, human right, livelihood systems and cultural uniqueness fully respected; IP not suffer adverse impacts, environmental impacts avoided or minimized, etc.). If noncompliance or any major gaps identified, include the recommendation of corrective action plan.

#### **I. Compliance Status**

This section will summarize the compliance status of the project activities with the loan covenants, ADB SPS (2009) on SR 2 and the approved final RP(s).

#### **J. Follow up Actions, Recommendation and Disclosure**

This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should also be included. A time-bound summary table for required actions should be included.

### **Appendix 1**

- i. List of Affected Persons and Entitlements
- ii. Summary of RP with entitlement matrix

### **Appendix 2**

- i. Copies of AP's certification of payment (signed by the APs)
- ii. Summary of minutes of meetings during public consultations
- iii. Summary of complaints received and solution status

### Appendix 6: Gender Action Plan Reporting Template (Quarter/Year)

**Project Title:**  
**Country:**  
**Project No:**  
**Type of Project:**      Loan  
**Approval and Timeline:**  
**Gender Category:**      EGM  
**Mission Leader:**  
**Project Impact:**  
**Project Outcome:**

#### GENDER ACTION PLAN PROGRESS STATUS

Activity/Measures, Indicators/Targets and Responsibility(Timing)	Progress to Date (This should include information on period of actual implementation, sex- disaggregated qualitative and quantitative updates (e.g. number of participating women, women beneficiaries of services, etc.)	Issues and Challenges (Please include reasons why as activity was not fully implemented, or if target fall short, or reasons for delay, etc.)
<b>Component/Output 1:</b>		
Activity: Indicator/Target: Responsibility:		
<b>Component/Output 2:</b>		
Activity: Indicator/Target: Responsibility:		
<b>Component/Output 3:</b>		
Activity: Indicator/Target: Responsibility:		

### Appendix 7: List of Rural Roads for the Additional Financing Project

Sl. No.	Name of District	Name of Upazila	Name of Schemes	Road Code	Effective Length (km)
1	Gopalganj	Kasiani	Nizam kandi-Gohala Road	335433011	3.050
2	Gopalganj	Muksudpur	Bonogram GC-Bhamondanga Bazar-Dignagar R&H	335582009	11.520
3	Gopalganj	Muksudpur	Gohala UP office (Monirkandi)-Jalirpar GC Road	335583010	5.320
4	Madaripur	Madaripur-S	Khagdi R&H-Char Muguria-Sreenadi Hat GC	354542001	10.250
5	Madaripur	Madaripur-S	NHW-Tribhagdi Hat GC.	354542003	5.100
6	Madaripur	Madaripur-S	Trivagdi GC-Mithapur Hat-Habiganj hat-Mollahat-Shekhpur RHD	354542005	8.963
7	Madaripur	Sadar	Madaripur Puran Bazar-Bangla Bazar-Hosnabad Bazar-Kalikapur UP Road.	354543005	9.500
8	Madaripur	Kalkini	Kalkini Upazila HQ to Khasherhat GC Road via Shomitirhat Bazar.	354402002	10.505
9	Madaripur	Kalkini	Khoajpur Takerhat R & H to Khasherhat GC Road via Laxmipur UP Office & Shurjamoni hat.	354402005	11.593
10	Madaripur	Kalkini	Khasherhat GC to Shariatpur R & H Road (Kalkini Part)	354402007	2.100
11	Madaripur	Shibchar	R&H Bypass road to Kathalbari ferry ghat via Kutubpur growth center & bangla bazar	354872005	8.280
12	Rajbari	Baliakandi	Baliakandi-Mrigi GC. Rd. Via Narua GC.	382072002	11.700
13	Rajbari	Baliakandi	Baliakanndi GC-Modhukhali RHW. via Maghchami. Road	382072003	3.835
14	Rajbari	Goalanda	Uttar Ujanchar at NHW-Khalil mondoler Hat G.C via Ujanchar G.C.	382292003	7.320
15	Rajbari	Kalukhali	Mrigi G.C-Sonapur G.C. Road	382772007	2.875
16	Rajbari	Kalukhali	Belgachi G.C.-Sonapur G.C. Road	382772009	3.355
17	Rajbari	Pangsha	Jasai UP-Joygram-Machpara UP. Road	382733015	4.279
18	Rajbari	Pangsha	Pangsa HQ-Mrigi G.C. Road	382732002	10.900
19	Cumilla	Titas	Raypur NHW-Batakandi GC road via Masimpur	419892001	10.914
20	Cumilla	Daudkandi	Roypur NHW - Batakandi G.C via Masimpur Road (Daudkandi part).	419362001	3.345
21	Cumilla	Debidwar	Jafargonj GC to Barashalghar RHD via Yousufpur UPC Road.	419402006	15.815
22	Cumilla	Titas	Batakandi GC-DaudkandiGC Via Mohanpur Launch Ghat road (Titas Upazila Portion)	419892002	11.500
23	Chattagram	Mirsharai	Zorargonj UP R & H to -Burburia ghat Bazar road Via Dhum UP, Bangla Bazar & Golokerhat	415532002	5.100
24	Chattagram	Mirsharai	Habilder Basa R&H to Santir Hat GC Road via Azamnagar (Karerhat UP-Santirhat GC)	415532013	5.880

Sl. No.	Name of District	Name of Upazila	Name of Schemes	Road Code	Effective Length (km)
25	Chattagram	Fatikchari	Dantmara U.P.HQ.to Balutila Bazar via Ziltoli bazar Road	415333002	13.160
26	Chattagram	Hathazari	Mekhol up to Gorduara UP Road (Sarang Road)	415373004	2.770
27	Chattagram	Raojan	Ramjan Ali Hat GC - Nayahat RHD via Andermanik Natun Bazar Road.	415742011	9.926
28	Chattagram	Rangunia	Santirhat GC- Malirhat - Sahery Bazar GC Road (Baraulia Road) (Rangunia Part)	415702011	5.400
29	Jashore	Monirampur	Lawri (Madrasha) RHD-Khedapara GC Road	241612016	14.850
30	Jashore	Abhoynagar	Nowapara Upazila H/Q-Monirampur via Moshiahati,Nehalpur Road.	241042006	7.300
31	Jashore	Abhoynagar	Nowapara Upazila H/Q (Shankarpasha Bazar Ghat) - Narail-Fultala RHD at Sukpara more Road.	241042005	4.790
32	Jashore	Abhoynagar	Jashore Khulna RHD Bhangagate (Badamtala) - Amtala GC via Moricha, Nawly Bazar Road	241042007	20.909
33	Jashore	Jhikorgacha	Bakra GC- Baganchara GC via Sankarpur UPC	241232003	10.515
34	Jashore	Sarsha	Benapole - Baganchra GC via Goga UP H/Q Road	241902007	9.855
35	Jashore	Bagherpara	Khajura-Chaturbaria road.	241092013	8.275
36	Jashore	Bagherpara	Jashore-Narail RHD at Dhalgrammore to Narikelbaria via Dhalgram Bazar	241092003	19.010
37	Jashore	Monirampur	Nehalpur GC-Payria GC via Takerghat Road	241612006	3.727
38	Jashore	Keshobpur	Chuknagar-Katakhali Road	241382003	7.200
39	Chuadanga	Alamdanga	Alamdanga-Sorajgong G.C (Alamdanga Portion) [Alamdanga]	218072002	18.000
40	Chuadanga	Damurhuda	Memnagar RHD-Karpashdanga G.C via Buichitala	218312006	13.106
41	Chuadanga	Damurhuda	Damurhuda G.C-Bhogiratpur G.C	218312005	11.375
42	Rajshahi	Tanore	Tanore-Amnura via Mundumala Hat	181942003	16.991
43	Rajshahi	Paba	Mollikpur Bipass (Kukhundipur Bazar) - Parila UP Road	181723024	4.400
44	Rajshahi	Tanore	Talanda FRB to Nizampur via Dargadanga Hat,Billi Hat Road	181942007	17.000
45	Rajshahi	Tanore	Talanda to Keshor Hat (from Hatishail)Tanore Part	181942011	5.440
46	Rajshahi	Tanore	Tanore-Chowbaria road	181942002	10.140
47	Rajshahi	Tanore	Saranjai Pacca Road More - Mundumala Hat Via DebipurMore,Elamdohi hat and Prokash Nagar Hat.	181942014	17.211
48	Rajshahi	Tanore	Elamdohi Hat to Kalma Hat Via Valukakandor Hat.	181943005	2.300

Sl. No.	Name of District	Name of Upazila	Name of Schemes	Road Code	Effective Length (km)
49	Rajshahi	Tanore	Mundumala Hat (Start from Ayrarmore) to Hat bakoil (GCM) road Via Uchadanga Narayanpur (Tanore part).	181942005	13.850
50	Rajshahi	Mohonpur	Bazorpur Trimohini to Dhupaghata hat	181532001	4.500
51	Rajshahi	Bagmara	Bhawanigonj-Ahsangonj	181122001	4.200
52	Rajshahi	Bagmara	Bhabanigong-Kesorhat	181122003	13.300
53	Rajshahi	Bagmara	Bhobanigong-Hatgangopara (from Mathabhanga)	181122004	4.970
54	Naogaon	Atrai	Ahashanganj GC-Bandaikhara GC.	164032008	8.575
55	Naogaon	Manda	Nurullabad GPS R&H - Jothbazar - Bandaikhara GC Road.	164472012	9.405
56	Naogaon	Niamatpur	Chhatra GC - Shibpur GC.	164692004	12.260
57	Naogaon	Manda	Chowbaria GC - R&H Santa bridge More.	164472015	19.000
58	Naogaon	Atrai	Kashiabari GC - Smaspara GC Via Islamgati hat	164032010	9.655
59	Naogaon	Atrai	Kashiabari GC - Kaliganj GC	164032006	11.882
60	Natore	Baraigram	Rajapur GC - Zonail GC Road	169152002	18.180
61	Natore	Gurudaspur	Nazirpur GC - Moukra GC Road	169412003	9.000
62	Natore	Lalpur	Bagatipara-Dayarampur-Abdulpur-Lalpur Road (Lalpur Part)	169442001	16.460
63	Natore	Lalpur	Lalpur-Bilmaria-Durduria Road	169442006	3.640
64	Bogura	Shajahanpur	Sonahata GC(Dhunot) - Tangramagur RHD via Amrul UP - Naimile	110962006	8.870
65	Bogura	Sonatola	Horikhali GC-Hatsharapur GC via Charpara hat (Sonatola)	110952006	10.010
66	Bogura	Bogura Sadar	Matidali NHW-Peergacha GCM (From RHD #331)	110202001	9.200
67	Bogura	Adamdighi	Nasratpur-Murail-Raykali-Beragram (Tilokpur) Road	110062006	6.610
68	Bogura	Kahaloo	Dupchachia-Namoja via Tindighi GC Road (Kahaloo)	110542005	11.750
69	Bogura	Kahaloo	Ranirhat-Durgapur Road.	110542001	10.675
70	Gaibandha	Sadullapur	Madargonj GC-Laxmipur G.C Road via Kantanagar.	132822013	10.443
71	Gaibandha	Sadullapur	Kunjo Mohipur Uttarpara - Pollasbari Border via Idulpur U.P office	132823019	5.370
72	Gaibandha	Sadar	Dariapur-Laxmipur	132242004	7.254
73	Gaibandha	Sundarganj	Sundargonj-Materhat G.C (FRA)	132912005	14.588
74	Dinajpur	Phulbari	Phulbari UZHQ-Madilahat GC Road.	127382001	10.500
75	Dinajpur	Parpatipur	Mominpur UP Office Jashai ( Bot tree more) - Pan Bazar road via Jurai hat & faridpur hat.	127773001	8.960
76	Dinajpur	Phulbari	Madilahat GC (Chintamon Moor)- Ambarihat GC Road.	127382004	18.060
77	Dinajpur	Nawabgonj	Doudpur (Laugari) to Bajitpur R&H	127692005	7.200
78	Dinajpur	Nawabgonj	Doudpur GC-Bhaduria GC via Daria	127692006	13.190
79	Dinajpur	Parpatipur	Ambari GC - Jashai more RHD road	127772003	14.264

Sl. No.	Name of District	Name of Upazila	Name of Schemes	Road Code	Effective Length (km)
80	Dinajpur	Birgonj	Bottoli (NHW)-Goreya GC via Shibrampur UP Rd (Bir Muktijoddha Shahid Motilal Barman Road)	127122005	16.040
81	Dinajpur	Kaharol	Kaharol Upazila HQ-Boleyahat RHD Road	127562005	9.265
82	Dinajpur	Bochagonj	Setabgonj Sugar Mill-Meherpur Hat via Nawavita hat Road.	127212002	12.400
83	Thakurgaon	Baliadangi	Baliadangi-Lahiri G.C. Road	194082001	7.003
84	Thakurgaon	Baliadangi	Charol UP Office(Lahiri GC)-Dogachi hat via Patilabhasha Road	194083011	8.300
85	Thakurgaon	Haripur	Jadurani GC-Dangipara UP Office Road.	194513004	4.280
86	Thakurgaon	Thakurgaon-S	Thakurgaon-Farabari GC Road.	194942005	8.500
87	Thakurgaon	Pirganj	Pirganj-Nasibganj G.C Road	194822001	7.180
88	Thakurgaon	Ranisankail	Baliadangi GC - Dhorganj (Horipur) via Dharmogarh Check Post Road.	194862007	5.803
89	Panchagarh	Atwari	Fakirgonj hat GC - Shathkhamar R&H Road	177042001	17.575
90	Panchagarh	Tetulia	Tetulia Gobra Bridge - Shalbahan GC Road	177902005	9.700
91	Panchagarh	Panchagarh-S	Panchagarh - Harivasha Road.	177732001	10.550
92	Nilphamari	Domar	Domar Bazar G.C-Basunia Hat GC.road	173152003	6.700
93	Nilphamari	Domar	Domar GC to Ambari Alsiar Bazar RHD road GC via Azizarerhat	173152008	13.460
94	Nilphamari	Domar	Boragarihat at RHD road to Baburhat GC via Motukpur UPC at Sayllar ghat (Domar Part)	173152009	4.250
95	Nilphamari	Nilphamari-S	Goregram U.P. to Bhabanigonj G.C via Majhpara Madrasha.	173643008	8.140
96	Nilphamari	Sayedpur	Taraganj G.C.-Porarhat G.C. Via Hazarihat G.C	173852001	17.750
<b>GRAND TOTAL</b>					<b>930.00</b>