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SECTION – A

1.1 Basic Information

1. Country : Bangladesh
2. Loan No. : 2462-BAN (SF)
3. Project Title : Second Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-II)
4. Project Location : Location Map is attached in Annexure-I
5. Borrower : Government of the People's Republic of Bangladesh
6. Executing Agency : Local Government Engineering Department
7. Implementing Agency : Local Government Engineering Department and Participating Pourashavas
8. Amount of Loan : SDR 55, 445,000 (eq. US\$ 87.00 Million)
9. Total Estimated Project Cost : Tk. 114,854.75 Lakh (DPP) (US\$ 167.50 Million at appraisal)
10. Total Revised Project Cost : Not revised yet
11. Date of Loan Approval : 28-10-2008
12. Date of Signing Loan Agreement : 04-11-2008
13. Date of Loan Effectiveness : 19-11-2008
14. Date of Loan Closing : 31-12-2014
15. Elapsed Loan Period : 34.56 % (as of loan effectiveness)
16. Date of Last Review Mission : Mid Term Last Review Mission was held from 6 – 15 June 2010

1.2 Co-Financer

- a) ADB: agreement signed on 04.11.08 (Loan 2462 BAN (SF)) for 55.445 million SDR
- b) KfW : agreement signed on 08.12.09 (grant no 200766) for 23.00 million EURO
- c) GIZ: agreement signed on 30.07.09 for a grant of 3.00 million EURO

1.3 Financial Status and Expenditure

Financial plan and expenditure is summarized at Table 1.1.

Table 1.1 Approval Status and Expenditure till 31 December 2010

Source	Approval			Actual Expenditure till 31 December 2011		
	In Million US\$	% of Total Project Cost	In Million Taka	In Million Taka	% of Total Project Cost	In Million US \$
Asian Development Bank (ADB)	87.00	51.9%	5,965.50	226.911	3.80	3.290
KfW	36.07	21.6%	2,473.50	12.498	0.51	0.181
GIZ	4.70	2.8%	322.20	191.920	59.57	2.781
Government of Bangladesh (GoB)	31.70	18.9%	2,175.40	207.145	9.52	3.002
Pourashavas	7.30	4.4%	500.50	-	-	-
Beneficiaries	0.70	0.4%	48.37	-	-	-
Total	167.5	100.00%	11,485.47	638.474	5.56	9.255

Exchange Rate= US\$ 1= BDT 68.57

Cumulative Progress up to 31 December, 2010: Physical – 32.40%, Financial – 5.56%

Detailed cumulative progress of the Project is shown in Table 1.2

Table 1.2 CUMULATIVE PROGRESS OF THE PROJECT**As of 31 December, 2010**

Sl	Description of Item of Work	Assigned Weight	Progress (%)	Weighted Progress (%)
A	Loan Preparation	10.00		
1	Loan Effectiveness	1	100%	1.00%
2	Recruitment of Consultant	6	100%	6.00%
3	Establishment of PMO and PIU with Staff	3	100%	3.00%
	Procurement of Vehicles			
	Procurement of Equipment			
	Office Space and Facilities			
B	Phase 1	25.00		
4	Implementation of UGIAP: Phase 1	10	100%	10.00%
5	Preparation of PDP	8	100%	8.00%
6	Performance Evaluation of UGIAP 1	2	100%	2.00%
7	Land Acquisition for Phase 2 Physical Investments	5		0.00%
C	Phase 2	35.00		
8	Implementation of UGIAP: Phase 2	12	12.50%	1.50%
9	Detail Design and Bid Preparation	3	5%	0.15%
10	Conclusion of Subproject Agreement and Subsidiary Loan Agreement	1.5	50%	0.75%
11	Tendering and contract award	3	0%	0.00%
12	Implementation and supervision	8		0.00%
13	Performance Evaluation of UGIAP 2	1.5		0.00%
14	Land Acquisition for Phase 3 Physical Investments	6		0.00%
D	Phase 3	30.00		
15	Implementation of UGIAP: Phase 3	15		0.00%
16	Detail Design and Bid Preparation	3		0.00%
17	Conclusion of Subproject Agreement and subsidiary Loan Agreement	1.5		0.00%
18	Tendering and contract award	3		0.00%
19	Implementation and supervision	7.5		0.00%
	Total	100.00	100	32.40%

SECTION – B

1.4 Introduction to the Project

The Second Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-II) started from January 2009, to promote human resource development and good urban governance and to improve infrastructure in 35 Pourashavas of Bangladesh with the financial assistance from the Asian Development Bank (ADB), KfW and GIZ. The Project incorporates a performance based sector approach involving demand driven allocation of loan proceeds based on clearly defined performance criteria and the commitment of the Paurashavas to undertake governance reform.

1.5 Project Objectives

The primary objective of this project is to promote sustainable human resource development, economic growth and poverty reduction by enhancing municipal management, strengthening capacity to deliver municipal services and improving physical infrastructure and urban services (especially to the poor) in 35 Pourashavas of Bangladesh. To achieve the objectives the project will assist the selected Paurashavas to enhance capacity of Pourashavas to implement, operate, manage and maintain basic urban services; to increase accountability of Pourashavas towards their citizens; and to improve physical infrastructure and urban services.

1.6 Scope of the Project

The Project comprises the following three principal components: Component A: infrastructure and service delivery; Component B: urban governance improvement and capacity development; and Component C: project management and implementation support.

1.6.1 Component A: Urban Infrastructure and Service Delivery

The output of component A is developed infrastructure and improved service delivery, including urban transport, drainage, solid waste management, water supply, sanitation, municipal facilities, and basic services for the poor in slums. The subprojects in each Pourashava will be identified through participatory urban planning. The size of investment funds allocated in each Pourashava depends on its progress of governance improvements.

1.6.2 Component B: Urban Governance Improvement and Capacity Development

The output of component B is improved governance and developed capacity of Pourashavas. Each Pourashava takes a series of following reform activities in six key areas identified in the Urban Governance Improvement Action Program (UGIAP):

- citizen awareness and participation;
- urban planning;
- women's participation;
- integration of the urban poor;
- financial accountability and sustainability; and
- administrative transparency

UGIAP was applied in the ongoing Urban Governance and Infrastructure Improvement Project (UGIIP-1), and the project adopted a refined version based on experience and lessons learned. The activities will be supported by training and facilitation, and intensively monitored to assess the performance. Performance allocation of investment funds will generate strong incentive for Pourashavas to achieve performance targets specified in UGIAP. Component B also supports national level reforms of urban governance.

1.6.3 Component C: Project Management and Implementation Support

A Project Management Office (PMO) in LGED and a Project Implementation Unit (PIU) in each Pourashava will be established under Component C of the Project. The PMO will manage the overall project implementation, while PIUs will implement activities for improvement of governance and physical infrastructures with support of following consultants and facilitators.

Consulting services are provided to support project implementation and to strengthen the institutional, administrative, and financial capacities of the Pourashava and the LGED with fielding of 96 person-months of internationals and 4,878 person-months of national consultants. Major packages are Package 1: Governance Improvement and Capacity Development (GICD) and Package 2: Management, Design, and Supervision (MDS). GIZ will provide experts to support Governance Program Development (GPD). Individual consultants will be engaged by the PMO too.

1.6.3.1 Package – 1: GICD Consultants

GICD packages of consultants will involve 876 local person-months of national consultants. GICD consultants will support PIUs in Implementing UGIAP-2 by providing capacity development community mobilization and other facilitation activities. The consulting team will be headed by a team leader supported by one deputy team leader and 18 regional coordinators. Each six regions have three regional coordinators in charge of urban planning, municipal finance, and community mobilization. The package will include engagement and management of the UGIAP facilitators. Each Pourashava covered under the UGIIP-2 will be

supported by three facilitators in charge of planning facilitator, municipal finance, and community mobilization.

1.6.3.2 Package – 2: MDS Consultants

MDS package will involve 96 person-months of international and 3,318 person-months of national consultants. MDS consultants will support the PIU in engineering design, bid management and supervision of physical works. The consultant will also be responsible for safeguard measures for environmental management, rehabilitation and resettlement. The consulting team will be headed by an international team leader supported by two national deputy team leaders and other experts.

1.6.3.3 Package – 3: GIZ Experts; Governance Program Development (GPD)

GIZ will provide in-kind contribution in form of technical assistance (TA). GIZ will engage experts for Governance Program Development (GPD) 76 person month of international and 192 person month of national) and UGIAP facilitators (3 facilitators in each 4 Pourashavas), and provide technical cooperation to enhance the urban reform initiatives. The experts will refine and expand training modules currently utilized by UMSU and under UGIIP-1. The experts will be selected in accordance with GIZ standard procedures in consultation with PMO. The Terms of Reference and selection of GIZ experts will be discussed and concurred by PD. Activities of GIZ experts will be regularly reported to PD, and carried out with close consultation with PD. GIZ will cover Mymensingh, Sreepur, Jamalpur & Mirzapur Pourashavas.

1.6.3.4 Package – 4: Consultant Support for Regional UMSU

Five consultants will be engaged in each of four regional UMSUs. The scope of work is to support regional UMSUs in implementing standard training modules to Pourashavas. Standard module includes: (i) computerization of tax records, (ii) computerization of accounting, (iii) inventory and mapping of infrastructure and (iv) community mobilization. With support of expert to be engaged by GIZ, the consultants will gradually expand the types of training modules.

1.6.3.5 Package – 5: Benefit Monitoring and Evaluation

Three individual consultants will be engaged and work as a team. The scope of work is to assist PMO in establishing a result-based monitoring and evaluating system for the project, including (i) identifying appropriate indicators and target, (ii) establishing a system to collect

and compile data, (iii) ensuring quality of data collection and compilation, (v) assessing and analyzing the collected data, (v) producing reports.

1.6.3.6 Package – 6: Performance Monitoring and Evaluation

A senior national consultant will be engaged to support the UMSU in monitoring, evaluating and rating performance of Pourashava according to UGIAP. The consultants also support the LGD, LGED and MPRC in strengthening performance monitoring by the MPRC, budgetary process of block grant to Pourashava, and other policy issues in urban sector. In particular, the consultant examines how to utilize MPRC's monitoring in order to sustain governance reforms in Pourashavas covered under the UGIIP-1 after the completion. Under this package three other individual consultants will be engaged as follows;

i) Public Campaign Consultant

A consultant will be engaged to support the PMO in planning and implementing public campaigns on local governance reforms under the Project. The consultant will produce printed and other materials for the campaigns.

ii) Equipment Procurement Consultant

A consultant will be engaged to support the PMO in procuring equipments and vehicles, including preparation of specifications and bid documents.

iii) Audit Support Consultant

A consultant will be engaged to support the PMO in reporting and responding to the external audit. The consultants also supports the PMO and PIU in establishing internal control and checking.

1.7 Locations

The project will be implemented in 35 Pourashavas in Bangladesh. Project area is widely spreaded all over the country. Location map is attached in **Annexure - 1**. Division-wise distribution is as follows at Table 2.1

Table 1.3 Division wise distribution of Pourashavas

Serial	Division	Name of Pourashavas	Class	Remarks
1	Dhaka Division	Mymensingh, Faridpur, Jamalpur, Ghorashal, Munshigonj,	A	8 Pourashavas
		Sreepur, Bhanga,	B	
		Mirzapur	C	

Serial	Division	Name of Pourashavas	Class	Remarks
2	Chitta-gong Division	Noakhali, Chandpur, Cox's Bazar, Brahmanbaria, Comilla, Chowmuhani, Parshuram	A	7 Pourashavas
			C	
3	Khulna Division	Satkhira, Jhinaidah, Narial, Bagerhat, Benapole	A	5 Pourashavas
			C	
4	Rajshahi Division	Thakurgaon, Rangpur, Dinajpur, Kurigram, Gaibandha, Sirajgonj, Natore	A	8 Pourashavas
		Nachole,	C	
5	Barisal Division	Bhola, Barguna, Jhalakathi, Kalapara	A	4 Pourashavas
			C	
6	Syllhet Division	Sunamgonj, Sreemangal, Golapgonj	A	3 Pourashavas
			C	
Total				35

1.8 Implementation Period

Project Period is 1st January, 2009 to December, 2014. The Project will be implemented in 3 phases. Three phases are as follows in Table 2.2.

Table 1.4 Implementation Phases and Period

Phase	Implementation Period	Period	Remarks
1 st	01.01.2009 to 30.06.2010	1 year 6 months	Successfully Completed *
2 nd	31.07.2010 to 30.06.2012	2 years 0 Months	On-going
3 rd	01.07.2012 to 31.12.2014	2 years 6 months	Not due

* *The duration of the 1st Phase was increased by three months as per decision of the last review mission held on 6-15 June 2010.*

1.9 Implementation Arrangements

1.9.1 Central Level

The executing agency of the Project will be Local Government Engineering Department (LGED), under supervision of Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives (MLGRDC). The existing Inter-ministerial Steering Committee (ISC) of UGIIP-1 will be expanded to include Department of Environment and be responsible for reviewing the progress and guiding implementation of the Project within three month of loan effectiveness. Inter-ministerial Steering Committee (ISC) will be chaired by the Secretary of LGD and include representatives from LGD, LGED, the Planning Commission (PC), Economic Relations Division (ERD) of Ministry of Finance (MoF), the Finance Division (FD) of the MoF, Implementation Monitoring and Evaluation Division (IMED) of the Planning Ministry, the National Institute for Local Government (NILG), the Department of Public Health Engineering (DPHE), the Ministry of Women and Children Affairs, Ministry of Public Works and three Mayors nominated by LGD. The ISC will convene whenever necessary, but not less than at least once every three months.

A Project Management Office, (PMO) will be established for the overall management of the Project. The PMO will be headed by Project Director (PD) who will be a senior engineer specialized in urban development, supported by officials including two Deputy Project Directors in charge of (i) Infrastructure and service delivery improvement and (ii) Governance improvement and capacity development respectively. The PMO will manage the overall project implementation. The PMO will be responsible for;

- i. Planning overall project implementation by consolidating plans at the Pourashava level;
- ii. assisting Pourashavas in implementing the UGIAP and physical works
- iii. procuring, managing and supervising consultants hired under the project
- iv. monitoring and supervising project implementation
- v. ensuring compliance with assurance, including safeguards; and
- vi. preparing and submitting reports, including progress reports and the completion report.

Existing central and regional Urban Management Support Unit (UMSU) will provide standard training modules to Pourashava in close coordination with PMO.

The transparent and fair assessment of performance is critical for a successful performance based fund allocation. The Municipal Performance Review Committee (MPRC) will be responsible for rating the participating Pourashavas. UMSU will also function as secretariat of MPRC in assessing

performance of Pourashava based on UGIAP performance criteria. Superintending Engineer, Urban Management wing of LGED, will act as Director of UMSU. The Additional Chief Engineer in-charge of urban management will coordinate the project activities under overall guidance of the Chief Engineer, LGED.

1.9.2 Pourashava Level

A project implementation unit (PIU) will be established in each participating Pourashavas to implement the UGIAP and physical works. The PIU will be headed by the Pourashava Mayor assisted by the Chief Executing Officer and other officials. Each PIU includes three sections: (i) the infrastructure improvement section (IIS) headed by the *Executive Engineer/Assistant Engineer; (ii) the urban governance improvement section (UGIS) headed by the Secretary; and (iii) the environmental, sanitation and slum improvement section (ESSIS) headed by the Health Officer.

The PIU will be responsible for (i) implementing governance improvement activities specified in UGIAP, including preparation of PDP; (ii) implementing physical works, preparing bid documents, including procurement and supervision of contractors with support from the PMO and consultants, ensuring safeguard compliance and (iii) preparing annual work plan and progress reports to PMO. Each PIU will be staffed with accounting officers to manage financial transaction including recording, preparation of liquidation statements, and replenishment requests to the PMO. In addition, a few engineering staffs will be placed by PMO to PIU subject to availability and capacity of Pourashava in the planning and implementation of the subprojects.

1.10 Special Features

1.10.1 Performance-based Allocation

The project adopts a performance-based allocation of investment funds, as it is proven to be an effective incentive mechanism through implementation of UGIIP-I. The amount of investment funds to be allocated to each Pourashava depends on its performance in governance improvements specified in UGIAP. In Phase 1, Pourashava start governance improvement by formulating essential institutions such as TLCC, WLCC and CBOs and initiates preparation of the PDP. Only after successful performance in Phase 1, the Pourashava will proceed to Phase 2 and receives funds for investment. Pourashavas will enter Phase 3 with additional funding, if they meet the performance criteria required in Phase 2. The amount to be received varies depending on level of performance.

* Executive Engineer for A category and Assistant Engineer for B and C category Pourashavas

1.10.2 Participatory Urban Planning

The project introduces participatory urban planning to Pourashava through the development of PDPs. Broad citizen groups, including women and the poor will be represented in TLCCs and WLCCs and a series of consultations will be carried out to formulate the PDP. The participatory formulation of PDP makes Pourashavas officials and elected representatives more accountable to communities and increase transparency on the use of resources and achievements in improving service delivery.

While the urban planner is the key officially to formulate the PDP, the post is often left vacant in Pourashavas. The UGIAP specifically requires Pourashavas to recruit an urban planner (Class A Pourashavas only), and the project will provide adequate capacity development for him or her. For class B and C Pourashavas, assistant engineer functions as urban planner with support from consultants and facilitators. The project also supports internships for university students studying urban planning, in order to strengthen the overall sector capacity. LGED already has an internship program for university students of Urban & Regional Planning and Engineering Universities.

1.10.3 Pro-poor Urban Development

Each PDP will include a PRAP to identify and formulate the specific actions for poverty reduction in Pourashava. A Slum Improvement Committee will be established in each target slum to operationalize the PRAP. TLCCs and WLCCs will have sufficient representation of low income group to ensure their participation in decision-making processes of Pourashava management. To ensure adequate budget to implement the PRAP, minimum 5% of the funds will be earmarked to finance basic services for the poor in slums.

1.10.4 Private Sector Participation

The project promotes private sector participation in management of urban infrastructure. Operation and routine maintenance of bus terminals, truck terminals will be outsourced to private sector through competitive bidding private sector participation in solid waste management will be examined to formulate feasible mechanisms, and introduced to the extent possible.

1.10.5 Fund Allocation among Pourashava

Investment Ceiling: The maximum amount of funds to be allocated to each Pourashava (the investment ceiling) is Tk250 million for class A Pourashavas, Tk200 million for class B pourahsavas,

and Tk100 million for class C Pourashavas. The investment ceiling does not include in-kind contributions by Pourashavas and beneficiaries.

Financing Pattern: Civil works and equipment for revenue-generating subprojects, including water supply, bus terminals, and truck terminals, will be financed 50% by grant and 50% by loan for class A Pourashava and 70% by grant and 30% by loan for class B Pourashava. The loan will have an interest rate of 4% for 20 years, including a 5-year grace period, and will be denominated in the local currency. All other types of subprojects will be funded 100% by grant.

Entry to Phase 2: Pourashavas that successfully achieve all performance criteria of phase 1 of the Urban Governance Improvement Action Program (UGIAP) will proceed to Phase 2 and be entitled to utilize a maximum of 50% of the investment ceiling. While the expected average period of phase 1 is 1.5 years, Pourashavas can enter into phase 2 immediately after the compliance of all phase 1 performance criteria. The assessment of Pourashavas performance by the municipal performance review committee (MPRC) will be carried out semiannually. Pourashavas that do not meet any of the phase 1 performance criteria within 2 years from the beginning of phase 1 will lose all entitlement for fund allocation.

Entry to Phase 3: At the end of phase 2, which is expected to be in June 2012, Pourashavas performance will be rated by the MPRC. The rating will be “fully satisfactory” if the Pourashava meets all of the phase 2 performance criteria of the UGIAP to a fully satisfactory level, “satisfactory” if the pourashava meets all of the minimum requirements of the phase 2 performance criteria, or “unsatisfactory” if the pourashava does not meet all of the minimum requirements. The additional entitlement in phase 3 is 50% of the investment ceiling for pourashavas with a fully satisfactory rating, 25% of the investment ceiling for pourashavas with a satisfactory rating, and nothing for pourashavas with an unsatisfactory rating.

New Entry: Within 1 year after the end of phase 1, all class A and B pourashavas that are not included under the Second Urban Governance and Infrastructure Improvement (Sector) Project (the Project) will be informed and encouraged to implement the UGIAP. The MPRC will rank those pourashavas that apply for fund allocations under the Project according to the performance criteria of the UGIAP. Pourashavas with a high ranking will be entitled to utilize a maximum of 50% of their investment ceiling. In the middle of phase 2, the overall fund utilization will be assessed, and the candidate pourashavas will be identified. At the end of phase 2, the new pourashavas will be determined by the interministerial steering committee subject to fund availability.

SECTION – C

SECTION – C : Second Phase Activities and Progress

2.1 Project Management Office (PMO)

PMO has conducted orientation meeting on implementation of 2nd Phase activities involving all concerned to prepare relevant documents to be submitted along with sub-projects. About 207 nos. sub-projects worth Tk. 3,913.40 million proposed by 35 PIUs have been forwarded to MDS for detail engineering investigation. Meanwhile, several Training and Workshop have been conducted during this Quarter. Detail of training conducted is attached in Annexure-II.

2.2 Project Implementation Unit (PIU)

As part of the process and with written instruction from PMO, all PIU have submitted sub-projects to PMO as per priority mentioned in the Pourashava Development Plan (PDP). Those are now under investigation of MDS Consultants for final submission to PMO.

2.3 UGIAP : Phase-II Implementation

Implementation of UGIAP: Phase-II has been commenced from 1st October 2010. During this quarter, a two days workshop on UGIAP implementation plan was conducted on 3-4 October, 2010 at LGED Head Quarter. PMO, ADB and GIZ Official/Consultants/Facilitators were attended in the workshop. A day long orientation meeting in each region on Gender Action Plan (GAP) were also conducted during this Quarter. TLCC and WLCC meeting are being held on regular basis in all 35 Pourashavas. Establishment of Mass Communication Cell (MCC) and preparation of citizen charter have successfully completed by all the 35 Pourashavas. Grievance Redress Cell (GRC) has established in 35 Pourashavas except Comilla and Cox's Bazar Pourashava. Detail of UGIAP implementation progress is discussed in the Section 2.5.

2.4 Sub-projects Preparation, Submission and Approval

PMO started pushing from beginning of the 2nd Phase i.e. 1st October 2010 to PIU for submission of eligible sub-project as per approved sub-project selection criteria and PDP. During this quarter all 35 PIUs have submitted 207 nos. sub-projects of different sub-component to PMO as per priority mentioned in the PDP. After preliminary checking, PMO has forwarded all 207 nos. sub-projects to MDS consultants for finalization of those after proper detail engineering investigation. MDS Consultants are working on that and 8 sub-projects have been submitted during this quarter to PMO for review and comments. PMO reviewed those and had given feedback on those submitted sub-projects. According, MDS Consultants incorporated the observations made from PMO. 6 Sub-projects of worth Tk. 519.52 million of Rangpur Pourashava had submitted to KfW for approval and obtained concurrence for tendering.

2.5 Activities of the Consultants and Reporting

2.5.1 GICD Consultants

01. Citizen Awareness and Participation

a. Workshops on UGIAP-phase II

A two days workshop on implementation module of UGIAP-2 activities was held from 3rd to 4th October, at LGED, in Dhaka. The workshop was participated by all Facilitators and Regional Coordinators and representatives of PMO, ADB and GTZ.

Furthermore GICD team carried out 6 regional training workshops in this quarter attended by Regional Coordinators and Facilitators of those regions to carryout UGIAP-II activities in a cohesive manner in the Pourashavas.

Another workshop on UGIAP phase 2 activities was arranged in 19 Pourashavas to delineate each activity and to decide assigned persons to carry out the work. In this level it was left over Mayors and concern Pourashavas to fix the programmes. Out of 35 Pourashavas 19 Workshops were organized to delineate each activity and to decide assigned persons to carry out the work. Remaining 16 Pourashavas could not materialize workshops due to election and political reasons.

b. UGIAP Implementation Committee

UGIAP Implementation Committees were formed in all 35 Pourashavas as per instruction from PMO to monitor and implement the UGIAP activities at Pourashava level.

c. Citizen Charter & approved by TLCC

Time schedule for the preparation of CC approved by TLCC was within 3 months of starting of phase 2 of project implementation. All Pourashavas have achieved this target which was duly approved by TLCC in their December 2010 meetings. For the betterment, unification and standardization of CC, PMO instructed all the Pourashavas not to display CC immediately in the premises or publish in the local newspaper for wider circulation though most of the Pourashavas were ready to do those.

d. Grievance Redress Cell

Grievance Redress Cell (GRC) has been established in 33 Pourashavas except Comilla and Cox'sBazar comprising 5 members under the leadership of senior most panel mayor. Comilla Pourashava could not achieve the target due to a bar from High Court on formation of any new committee and Cox'sBazar did not accomplished due to political reasons and elections. Out of 35 Pourashavas, 13 of them have fixed Complaint Boxes at a convenient place of Pourashava offices for receiving grievances/complaints of the citizens or any visitors.

e. TLCC and WLCC meetings held on a regular basis

35 TLCC and 369 WLCCs are running smoothly as per UGIAP guidelines and structured their meeting on a regular basis in this quarter.

f. Mass – Communication Cell

In this quarter, Mass Communication Cell (MCC) has been established in 34 Pourashavas except Cox's Bazar which did not accomplished due to political reasons.

02. Urban Planning

- a. Preparation of land use plan has been initiated from November 2010 by collecting existing document, previous works on urban planning executed under different projects, available mouza maps and related data.
- b. As a support work, two consulting companies are assigned from PMO to prepare base map, drainage master plan & topography survey of Pourashavas which will begin from January 2011.
- c. The GICD team will assist Pourashavas to prepare land use plan after compiling the base map and reports of survey work.
- d. On 31st October a total number of 26 Town Planners were employed by the Ministry (LGRD&C) in Class A and B Pourashavas. Unfortunately out of them 10 Pourashavas are still lacking Town Planners because, 6 Planners did not join and 4 Town Planners are absent till date since the very first day of their joining.

03. Women's Participation

- a. Day long orientation meeting of Member Secretaries of Gender Committees on GAP under 35 Pourashavas was held on 21st October 2010 at Dhaka, Executive Engineer's Office.
- b. PMO has sent several instructions for the implementation of GAP to all project Pourashavas, such as arranging proper working environment for female Councilors and female staff of the Pourashavas, provision of separate toilets, ticket counters, rest rooms for female in the upcoming bus terminals of the Pourashavas etc. GICD teams were asked to assist Gender Committee to monitor all GAP instructions in Pourashava level.
- c. PMO has prepared programme, handout and budget of court yard meetings as part of awareness activities of GAP and send those to the project Pourashavas. GICD team was assigned to assist Female Ward Councilors to arrange the court yard meetings. Proposed meetings are expected to start from January 2011.
- d. PMO has supplied posters to all project Pourashavas for distribution as part of awareness activities under GAP.
- e. Monthly meeting of Gender Committee were held regularly.

04. Integration of the Urban Poor

- a. Monthly meeting of PRAP Steering Committee were also held regularly.
- b. PMO has already instructed Pourashavas to identify Slums in project areas.

05. Financial Accountability and Sustainability

- a. Out of 35 UGIIP Pourashavas, 7 Pourashavas have been identified those don't have any computerized system. The Pourashavas of this category are Benapole, Barguna, Parshuram, Sreepur, Nachol, Jamalpur and Bhanga.
- b. Out of 28 Pourashavas, Kurigram, Natore, Barguna, Bagerhat, Sathkhira, Jhenaidah, Ghorasal and Mirzapur have the modern accounting system without up-to-date records

due to problems with software, shortage of skilled staff and insufficient number of equipment.

- c. Tax record system is in operation with 28 Pourashavas out of 35. These are: Munshigonj, Mymensingh, Faridpur, Ghorashal, Noakhali, Chandpur, Cox's Bazar, Brahman Baria, Comilla, Chowmohoni, Satkhira, Jhenaidah, Narail, Bagerhat, Takurgaon, Natore, Rangpur, Dinajpur, Kurigram, Gaibandah, Sirajgonj, Bhola, Jhalkathi, Kalapara, Sunamgonj, Sreemongal and Golapgonj.
- d. As per UGIAP-phase 2 all Pourashavas are required to increase their tax collection efficiency by 10% each year so as to get their entry from 2nd to 3rd phase of the project. This conditionality was conveyed to all Pourashavas repeatedly with request to achieve the target.
- e. As per UGIAP-phase 2, each year all project Pourashavas are required to collect more amount from other sources, than that of the previous year. For this all Pourashavas are being instructed from PMO to improve their performance in this area. The GICD team is closely monitoring this aspect of the Pourashava and assisting them to improve the situation. A positive result is expected from the next quarter.
- f. As per UGIAP- phase 2 target, all Pourashavas are required pay all outstanding bills older than 3 months, including electricity and telephone are paid in full. This requirement has been communicated from PMO and GICD to all Pourashavas with request to make payment of electricity bills as per above targets. In this term GICD team has found out the status on payment of electricity bills of the entire project Pourashavas. Only 13 Pourashavas have their electricity dues clear. The situation of some Pourashavas like Cox's Bazar, Mymensingh, Comilla, Chandpur, Natore and Gaibandah are alarming. Cox's Bazar have to pay more than four crore taka which seems to be very difficult. GICD team is trying to insist Pourashavas with request to arrange meetings, where necessary, with the Power Development Board (PDP) / Rural Electrification Board (REB). Most of the Pourashavas are reluctant to pay their arrear or current electricity bills.
- g. GICD team assisted PMO for organizing day long workshops to orient concerned staff of 7 Pourashavas (Sreepur, Ghorasal, Mymensingh, Jamalpur, Natore, Munshigonj and Sirajgonj) in December 2010 on financial management as stated in UGIAP phase 2 financial task (area 5).
- h. In this quarter GICD team concentrated on the instructions given by PMO to rationalize the user charges and tariff structures at Pourashava level. They also motivated and assisted Pourashava to set tariff on periodical basis and collect the charges and as per fixed tariff.

06. Administrative Transparency

Major activities performed in this quarter are as follows:

- i. A web site has been developed in the name of UGIIP from October 2010 (<http://www.lged-ugiip2.gov.bd>)
- ii. PMO instructed all Pourashavas for sending a name of an IT focal person to operate IT related activities in each Pourashava on 12th October 2010.
- iii. A meeting was held with RUMSU and GICD on 13th October 2010 to discuss about the status software information.
- iv. Another meeting was held with UMSU and GICD on 18th October 2010 to discuss about the developed software and implementation strategy at Pourashavas.
- v. A draft guideline for implementation of e -governance has been prepared.
- vi. E- governance activities have been initiated in Faridpur Pourashava from November 2010.

- vii. Parshuram Pourashava has developed their own web page by the help of GICD team.
- viii. A panel of 70 persons comprising of an officer and a staff from each project Pourashava has been finalized. They will be given training on E governance awareness in next quarter.
- ix. PMO asked all project Pourashavas to review approved Pourashava organogram and develop adequate staff (key staff and support staff) structure considering the actual need as well as the provision of organogram to provide improved services.
- x. GICD assisted PMO to prepare and distribution of job description of each officials/staff of the Pourashava to improve the efficiency of management in Pourashavas.
- xi. GICD team assisted Pourashavas to establish different standing committees according to the provision under Clause-58, Section-3, Chapter-2, of the local government, (Pourashava) Ordinance 2008, for a period 92.5 YEARS) with detail terms of reference.
- xii. GICD team assisted PMO to arrange an orientation programme for Secretary / Chief Executive Officer on implementation of UGIAP –phase 2.

Detail of the activities of GICD consultants have been shown in the report of the GICD Consultants as Annexure-III.

2.5.2 GPD Consultant Team

During the last quarter of 2010, the Training Team submitted a total of 11 training manuals along with 7 handbooks. The modules/ manuals submitted by GPD team has been thoroughly checked by the PMO and acknowledged by the Chief Engineer, LGED. All the draft final modules/manuals are waiting for the final print in the office of the GPD team.

The Training Team of GPD has developed a concept for a new training structure for the upcoming UGIIP-2 training activities and shared the idea with the PMO. The Training Team is currently assisting PMO to design a workable trainers' training plan for PS trainer pools. Local trainer pools shall ensure a sustainable approach.

Based on the Training Needs Assessment Report, the UGIAP-2 Implementation Guideline and GPD's scope of work, the manual development plan has been finalized. A list of required products in relation to the UGIAP implementation has been prepared and handed over to PMO. In response to PD's request, a Bangla version of the proposed product list has also been delivered to PMO.

An ice breaking game pack has been developed.

A PRAP guideline has been prepared and field tested in Jamalpur and Sreepur PSs and then endorsed by PMO. 35 PSs followed the guideline to prepare PRAPs.

GIZ has initiated support for PMO to work on small scale PPP at municipal level. PMO has requested GIZ to provide necessary support to PMO. Two short-term consultants from GIZ Headquarters will together with PMO draft a strategy for the capacity development measures within LGED to support interested Pourashavas in developing and implementation of PPP testing within UGIIP-2 and Capacity Development. GIZ will extend its support to LGED and municipalities to initiate up to 03 PPP pilot measures concentrating on service delivery.

Possibilities of joint PMO and GPD result-based Monitoring have been discussed with the facilitation of a GIZ M&E consultant. Detail of activities performed by GICD team is attached as Annexure-IV.

2.5.3 MDS Consultants

MDS head office staff has been mobilized the only un-mobilized staff is the AutoCAD Expert. Team Leader, MDS has proposed to replace this position by 2 additional AutoCAD operators. 6 Regional Resettlement Specialists and 5 Environmental Specialist positions (1 vacant in Borishal) have been filled. 34 Municipal Engineers have been mobilized (1 in Kolapara vacant). One Municipal Engineer has been given extra charge. Additional 2 Estimators and one Senior Roads Engineer mobilized.

Baseline surveys have been completed. Drainage master plans work started and Physical surveys and soil testing by MEs and DDC underway.

MDS team has prepared some of sample designs and guidelines for subproject to be implemented in different sector and the MEs have been oriented on SP preparation through a workshop. Internal monitoring format for the estimate and design of the subproject has prepared. Number of subproject estimates and designs submitted by different Pourashavas has been reviewed, checked and corrected. Approval of 6 subprojects of Rangpur Pourashava has been made by KfW after duly submission it to KfW.

- i) Ensuring environmental and social safeguards according to guidelines of the Government and ADB

Environmental and social checklists has prepared and conducted field checking of proposed subprojects. IEE and Social Assessment formats has prepared.

- ii) Supervising and managing contractors, advise on issues related to implementation and supervision of civil works and review and confirm quantity and quality of work followed by certification of bills for the works completed under the project

- **To be started later**

- i. Preparing and introducing O&M plans and providing training of implementation of O&M subprojects

- **O&M plan to be prepared by individual O&M consultant**
- **O&M SP identified as drain cleaning and water system repair**
- **Repair included to TOR for leak detection study**
- **O&M considered in all SP selection**

- ii. Preparing contract document for procurement of goods for the use of PMO and PIU's and assisting PMO in the process of tendering and evaluation

- **Procurement documents for KfW and ADB in use**
- **Processing purchase of goods**
- **Certification of TEC decisions in progress**

- iii. Preparing environmental SP following selection guidelines prepared under the project

- **Reviewing solid waste, water and sanitation requirements for Project towns**

iv. Preparing Topographic Map and Drainage Master Plan by engaging sub-contractors

- **Work underway**

v. Conducting survey for water supply leak detection (sub-contracting) and preparing rehabilitation SP

- **Search for LD subcontractor**

- **Rehabilitation preparation at site visits**

vi. Introducing classification of Pourashava road system for efficient maintenance and operation planning

- **Prepared classification system with revised designs**

Detail of activities performed by MDS team is attached as Annexure-V.

2.5.4 BME Activity

Executive Summary

Implementation UGIAP-I is completed during the quarter. Major activities performed included review of UGIAP Phase-I tasks, preparation of a BME of UGIAP-I and other tasks

At the end of UGIAP Phase-I the team has undertaken benefit monitoring and evaluation (BME) of UGIAP. Draft report has been prepared and submitted for feed back and comments.

A simple procedure to calculate EIRR and FIRR for the project sector components was developed. The document is finalized incorporating the views and comments of PD, DPD-I and ADB experts. A briefing session on EIRR and FIRR with the Assistant Engineers of the PMO was organized.

The team attended several important meetings with PD, reviewed the training modules prepared by GPD consultants and attended training workshops for GICD facilitators, GAP/CBO.

Indicators for benefit monitoring of 2nd Phase of UGIIP-2 (UGIAP-II and Infrastructure improvement are in the process of development. Regular field visits were made and necessary assistance is rendered to see the correct functioning of the monitoring system

Progress Report

The first phase of Project (Implementation UGIAP Phase-I was completed in September 2010. During the quarter from October to December major activities performed included

1. Review of UGIAP Phase-I tasks
2. Benefit monitoring and evaluation (BME) of UGIAP Phase-I
3. Other tasks

1. Review of Salient Tasks as per the TOR

Task 1: At the initial stage, the BME team will develop performance target/indicators for impact, outcome and outputs including socio-economic and poverty indicators related to social and environmental safeguards and finalize in consultation with PMO.

Status: *Governance, physical and socio-economic and poverty indicators including social and environmental safeguards have been finalized. Indicators for 2nd Phase of UGIIP-2 are in the process of development.*

Task 2: The consultants will assist PMO in conducting initial baseline physical and socio-economic surveys and prepare detail implementation plan of monitoring performance and benchmark indicators.

Status: *The task of conducting the socio-economic initial bench-mark survey has been out sourced. The work is on-going. Data collection in the field is in the completion stage. BME team has been rendering necessary assistance to the conduction of the survey*

Task 3: The BME team with GICD consultants and facilitators will establish a mechanism for PMO to conduct on-site monitoring visit to observe activities to have a direct feed-back from the stakeholders.

Status: *This has been established for PMO with GICD consultants for on-site monitoring of activities and direct feedback for the stakeholders.*

Task 4: The team will develop criteria and formats to establish a monitoring system at the Pourashava level to assess the performance based on UGIAP, PRAP and GAP, suggest corrective measures to achieve the targeted benefits.

Status: *Criteria and formats for performance and benefit monitoring of UGIAP-II, PRAP and GAP will be developed in due course*

Task 5: Conduct field visits and assist PIUs in correct functioning of the monitoring system, advice for rectification of deviation, if any.

Status: *Regular field visits are made and necessary assistance is rendered to see the correct functioning of the monitoring system*

The social safeguard specialist made several purposive visits to Bagerhat (29-30 November), Benapole and Satkhira (1-3 December and Jhenaidah and Narail (20-21 December). with the financial and the management consultants of GTZ covering administrative and financial aspects of the project.

Task 6: The BME team will collect and compile data and report of surveys and assessments including BME assessment at different stages of project implementation. The areas include capacity building, institutional improvement, infrastructure development and resource mobilization to assess benefit of the interventions analyzing issues, successes, problems and lessons learnt in a suggested time schedule.

Status: *At the end of first phase activities (UGIAP Phase-I) the team has undertaken benefit monitoring and evaluation (BME) of UGIAP activities Detail schedule of activities is delineated under 'BME of UGIAP-I'*

Task 7: Review staff capabilities with PMO and PIU to undertake BME, develop training module, train staff of PMO and PIUs and GICD facilitators on the monitoring system.

***Status:** Development of training module and training of PMO and PIU on capacity development and monitoring has been on-going. Staff capabilities to undertake BME will be reviewed in Sep 2011*

2. BME of UGIAP-I

Task 1: Development of TOR for BME of UGIAP phase-I activities

***Status:** Six (6) Pourashavas in 6 Divisions have been selected randomly representing 1 Pourashava each to cover the BME of UGIAP activities. Formats and questionnaires for the survey has been developed and finalized in consultation with PMO.*

Task 2: Field survey for BME

***Status:** Formats and questionnaires in the selected Pourashavas were administered with orientation to Pourashava XEN/Assistant Engineer/Secretary, GICD facilitators on the conduction of survey and administration of the formats and questionnaires*

BME consultants visited all the 6 Pourashavas and briefed the facilitators on 'how to conduct the survey. The field survey was conducted during August and September 2010

Task 3: Data tabulation and processing

***Status:** Tabulation of Data started in September and completed in October. Data analysis has been completed in November 2010*

Task 4: Compilation of report

***Status:** Draft report has been prepared and is submitted for feed back and comments.*

3. Other tasks

The team leader with a free lance consultant developed a simple procedure to calculate EIRR and FIRR for the project sector components. The document has been finalized after incorporating the views and comments of PD, DPD-I and ADB experts. For this purpose several discussions were held in ADB with the Senior ADB Project Officer and the Financial Expert by the PD, TL and the consultant.

A briefing session on EIRR and FIRR with the Assistant Engineers of the PMO was organized. The consultant made the presentation facilitated by the DPD-I and TL, BME. The participants actively participated in the lively discussions.

The team attended Team Leaders' meeting with PD, review meetings on the training modules prepared by GPD consultants of GTZ, training workshops for GICD facilitators, orientation on GAP/CBO. Presentations were made on the benchmark survey terms of reference, indicators and methodology and on the environmental and social safeguard issues by the team.

Detail of activities performed by BME team is attached as Annexure-VI.

2.5.5 PME Activity

- Maintaining Coordination with PMO, PIUs, UMSU, GPD & GICD Consultants
- Identified the activities, tasks and time frame for each activities/tasks for UGIAP Phase II activities and developed monitoring formats (Tools) and techniques.
- Developed formats based on entry criteria for data collection from the Paurashavas under UGIIP – I and Pourashavas other than UGIIP-I and UGIIP-II for new entry in to the Project.
- Received 1st quarterly progress report from 19 Pourashavas under UGIIP – I for new entry in to the Project
- Received designed information from 70 Pourashavas other than UGIIP-I and UGIIP-II for new entry in to the Project.
- Data entry for analysis and evaluation of these Pourashavas for new entry is going on
- Discussed with the GPD counterparts on different issues of training manual and monitoring tools and techniques
- Conducted field visit for observation of TLCC meeting at Faridpur, Bhanga and Ghorashal Pourashava.
- Conducted interaction meeting with the PMO, GICD Team Leader and Deputy Team Leader on findings and remarks on the process and laps and gaps in conducting the TLCC meeting.
- Prepared up to date progress report on receiving of reports and information from the Pourashavas for new entry in to the Project and submitted to the Director, UMSU and the DPD1, UGIIP – II
- Preparation of working paper for MPRC forthcoming meeting to be held possibly on February 2011 in going on.

Detail of activities performed by PME team is attached as Annexure-VII.

2.6 Capacity Development and Training

Training is an important component of UGIIP-II. In August, 2010 four training courses were conducted for Ward Level Coordination Committee (WLCC) members in Barisal Division. The objective of the training course was to inform the WLCC members about the project activities as well as their function, roles & responsibilities in the committee. A total of 216 participants from the Pourashavas in 4 batches were planned. A total of 192 trainees (91%, 112 male and 80 female) attended the courses in 4 batches. The details of the training activities have been given as **Annexure – VIII**.

2.7 Procurement Status

2.7.1 National Competitive Bidding (NCB)

Total 13 packages for procurement of Goods have processed till the project started. The estimated cost of 13 NCB packages are amounting Tk 93.187 million. Among these 13 packages 9 packages have been completed amounting taka 42.89 million. Detailed of the procurement status is attached as **Annexure- IX**.

2.7.2 International Competitive Bidding (ICB)

Total 9 packages for procurement of Goods have processed till the project started through ICB. The estimated cost of 9 ICB packages are amounting Tk 508.66 million. Detailed of the procurement status is attached as **Annexure- IX**.