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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. Borrower : Government of the People's Republic of Bangladesh
5. Executing Agency : Local Government Engineering Department
6. Implementing Agency : Local Government Engineering Department and Participating Pourashavas
7. Amount of Loan : SDR 55, 445,000 (eq. US\$ 87.00 Million)
8. Total Estimated Project Cost : Tk. 114,854.75 Lakh (DPP)(US\$ 167.50 Million at appraisal)
9. Total Revised Project Cost : Not yet revised
10. Date of Loan Approval : 28-10-2008
11. Date of Signing Loan Agreement : 04-11-2008
12. Date of Loan Effectiveness : 19-11-2008
13. Date of Loan Closing : 31-12-2014
14. Elapsed Loan Period : 38.60 % (as of loan effectiveness)
15. Date of Last Review Mission : 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 200766618) 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 March, 2011

Source	Approval			Actual Expenditure till 31 March 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	51.90%	5,965.50	251.031	2.19%	3.66
KfW	36.07	21.60%	2,473.50	15.598	0.14%	0.23
GIZ	4.70	2.80%	322.20	215.566	1.88%	3.14
Government of Bangladesh (GoB)	31.70	18.90%	2,175.40	250.164	2.18%	3.65
Pourashavas	7.30	4.40%	500.50	-	-	-
Beneficiaries	0.70	0.40%	48.37	-	-	-
Total	167.50	100.00%	11,485.47	732.359	6.38%	10.68

Exchange Rate= US\$ 1= BDT 68.57

Cumulative Progress up to 31 March, 2011: Physical – 36.63%, Financial – 6.38%

Detailed cumulative progress of the Project is shown in Table 1.2

Figure 1-1: Contribution to the Total Project Cost

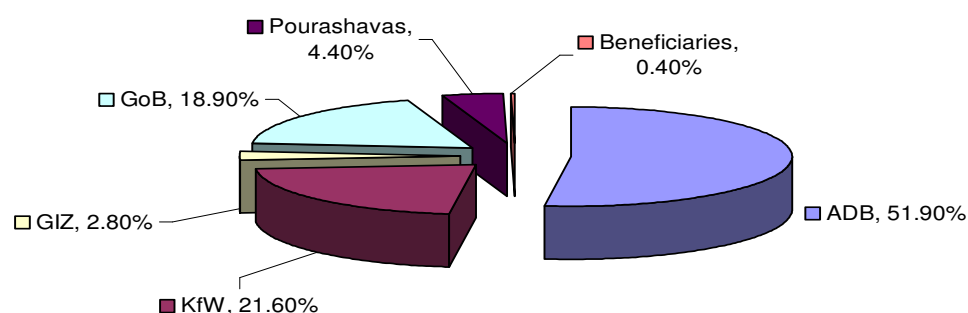


Table 1.2 CUMULATIVE PROGRESS OF THE PROJECT**As of 31 March, 2011**

SI	Description of Item of Work	Assigned Weight	Progress (%)	Weighted Progress (%)
A	Loan Preparation	10		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		20.00%
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		6.63%
8	Implementation of UGIAP: Phase 2	12	29.00%	3.48%
9	Detail Design and Bid Preparation	3	50%	1.50%
10	Conclusion of Subproject Agreement and Subsidiary Loan Agreement	1.5	50%	0.75%
11	Tendering and contract award	3	30%	0.90%
12	Implementation and supervision	8		0.00%
13	Performance Evaluation of UGIAP: Phase-2	1.5		0.00%
14	Land Acquisition for Phase 3 Physical Investments	6		0.00%
D	Phase 3	30		0.00%
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	100 100		36.63%

SECTION – B

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.

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.

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.

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 performance of governance improvements.

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 completed 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.

Component C: Project Management and Implementation Support

A Project Management Office (PMO) in LGED and a Project Implementation Unit (PIU) in each Pourashava is established under Component C of the Project. The PMO manages the overall project implementation, while PIUs implements 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.

Package – 1: GICD Consultants

A GICD package of consultants involves 876 local person-months of national consultants. GICD consultants support PIUs in Implementing UGIAP-2 by providing capacity development, community mobilization and other facilitation activities. The consulting team is 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 is supported by three facilitators in charge of planning facilitator, municipal finance, and community mobilization.

Package – 2: MDS Consultants

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

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

GIZ provides in-kind contribution in form of technical assistance (TA). GIZ has engaged 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 provides technical cooperation to enhance the urban reform initiatives. The experts will refine and expand training modules currently utilized by UMSU and practiced under UGIIP-1. The experts have been selected in accordance with GIZ standard procedures in consultation with PMO. The Terms of Reference and selection of GIZ experts need to be discussed and concurred by PD. Activities of GIZ experts to be regularly reported to PD, and be carried out with close consultation with PD. GIZ will cover Mymensingh, Sreepur, Jamalpur & Mirzapur Pourashavas for providing direct support with facilitators.

Package – 4: Consultant Support for Regional UMSU

Five consultants team were 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 engaged by GIZ, the consultants task is to gradually expand the types of training modules.

Package – 5: Benefit Monitoring and Evaluation (BME)

Three individual consultants have been engaged and to 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.

Package – 6: Performance Monitoring and Evaluation (PME)

A senior national consultant has been engaged to support the UMSU in monitoring, evaluating and rating performance of Pourashava according to UGIAP. The consultant also supports 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 are engaged as follows;

i) Public Campaign Consultant/ Media 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 has been engaged to support the PMO in procuring equipments and vehicles, including preparation of specifications and bid documents.

iii) Audit Support Consultant

A consultant has been 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.

Locations

The project is being implemented in 35 Pourashavas in Bangladesh. Project area is widely spreaded all over the country. Location map is attached in **Appendix - 1**. Division-wise distribution is as follows at Table 2-1.

Table 2-1 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	
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 Nachole,	A	8 Pourashavas
			C	
5	Barisal Division	Bhola, Barguna, Jhalakathi, Kalapara	A	4 Pourashavas
			C	
6	Syllhet Division	Sunamgonj, Sreemangal, Golapgonj	A	3 Pourashavas
			C	
Total				35

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 2-2 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	01.07.2010 to 30.06.2012	2 years 0 Months	Implementation on-going
3 rd	01.07.2012 to 31.12.2014	2 years 6 months	Not due

****The duration of the 1st Phase has been increased by three months as per decision of the last review mission on 6-15 June 2010 and additional three months required for evaluation.***

Implementation Arrangements

Central Level

The executing agency of the Project is 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 has been 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) is 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, 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.

Pourashava Level

A project implementation unit (PIU) has been established in each participating Pourashavas to implement the UGIAP and physical works. The PIU is 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 is 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 has been 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 has placed by PMO to PIU subject to availability and capacity of Pourashava in the planning and implementation of the subprojects.

Special Features

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

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.

Pro-poor Urban Development

Each PDP includes 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.

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.

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.

SECTION – C: Second Phase Activities and Progress

Project Management Office (PMO)

The PMO has conducted progress review meeting with the Municipal Engineers (ME) on March 5, 2011 at the headquarter to identify problems for finalizing sub-projects in the Pourashavas and provide necessary suggestions in connection with accelerating submission of sub-projects. The PMO has also conducted another meeting on February 26, 2011 with all Regional Coordinators and Facilitators working under the Project for reviewing status of UGIAP: Phase-II implementation. A total number of 307 training programmes (out of 582 batches for 1750nos. CBOs) executive committee members have arranged under the reporting quarter. Meanwhile, several training and workshop have been organized during this quarter. Detail of training activities is attached in Annexure-II.

165 sub-projects have been cleared for tendering to the Pourashavas by PMO of costs Tk 1413.66 million, after getting no objection from ADB and KfW under urban transport sector.

A three day long orientation workshop was organized on March 19 - March 21, 2011 for newly

elected (partly) Mayors of 35 Project Pourashavas at BRAC centre in Gazipur district. Participations of the Secretary and other high officials of LGD, Chief Engineer LGED, PMO & LGED officials and representatives from development partners in different sessions provided added value to the workshop.

The orientation for the Mayors



Mr. Abu Alam Mohammad Shahid Khan, Secretary, LGRD addressing in the Mayors Orientation Workshop at BRAC

included i) Pourashava functions as delineated in the Pourashava Act 2009, ii) UGIAP: phase-2, iii) Experience sharing of good practices (e.g. from Norshindi, Narayanganj & Mymensingh Pourashavas), iv) Roles and responsibilities of the Mayors etc.

To mark the World Water Day 2011 detail programme was taken by the PMO for 11 Pourashavas in connection with the worldwide observance of the day on March 22, 2011. The programme includes World Water Day Rally and water logging removal / cleaning programme in Pourashava



World Water Day Rally 2011 by Bhola Pourashava

level. UGIIP -II has also participated to the national Programme for observance of the day.

All 35 Member Secretaries of Gender Committees had been oriented on women's participation in Pourashava decision making at central level. Ward based Rally on International Women Day was organized on 8 March 2011 by Gender Committees in 369 Wards of 35 Pourashavas. The rallies were held with banners, festoons, posters, slogans etc. carrying messages regarding International Women Day and UGIAP. The rallies went around



Mr. Jahangir Kabir Nanok, Honorable St. Minister of LGRD&C and Mr. Abu Alam Mohammad Shahid Khan, Secretary LGRD observing stall of UGIIP-II in World Women Day Exhibition at LGED Campus.

almost all the important roads of the Pourashavas and discussion meetings were held at the beginning or at the end of the rallies. LGED has also organized a day long seminar and exhibition at LGED head quarter to mark the day. UGIIP -II has actively participated in those Programmes.

Project Implementation Unit (PIU)

After getting proper guidance from PMO for preparing sub-projects the Project Implementation Units (PIU) have accelerated their performances and succeeded to submit 396 Nos. sub-projects of cost Tk 2948.05 million to MDS by all 35 Pourasahvas. Those sub-projects have sent to MDS consultants for investigation before final submission to ADB and KfW.

PIUs are also implementing time bound activities of UGIAP: Phase-II with the assistance of GICD Consultants and GPD team under close supervision of MPO. TLCC, WLCC and GC are being reconstructed by replacing old members through inclusion of new members in the committee in those Pourashavas where newly elected Mayors and Councilors have come in to position. The standing committees are also being reformed due to the same ground.



Celebration of World Water Day Rally 2011

TLCC and WLCC meeting are being held on regular basis in all 35 Pourashavas. Mass Communication Cell (MCC) and Grievance Redress Cell (GRC) has established in 35 Pourashavas. Gender Committees (GC) are functioning nicely showing their performance to observing successfully the World Women Day 2011. All 35 Member Secretaries of Gender Committees had been oriented on women's



Celebration of World Women Day Rally 2011

participation in Pourashava decision making at central level.

UGIAP: Phase-II Implementation

In this quarter the UGIAP implementation has got momentum after newly elected municipal council has come in to board in 25 Pourashavas. Review meeting on UGIAP: Phase -II Implementation has organized with all Regional Coordinators and Facilitators working under the GICD Consultants in order to accelerate activities in the field. There are 27 activities under 6

working areas of UGIAP for Pourashava, those are under implementation. Detail of UGIAP: Phase -II implementation progress is discussed in Article 2.5.1.

Sub-projects Preparation, Submission and Approval

During this quarter all 35 PIUs have submitted 396 nos. sub-projects of cost Tk 2948.05 million of different sub-component to PMO as per priority mentioned in the PDP. After preliminary checking, PMO has forwarded all 396 nos. sub-projects to MDS consultants for finalization of those after proper detail engineering investigation. MDS Consultants are working on that and 177 nos. sub-projects of cost Tk 1554.51 million have been submitted during this quarter to PMO for forward it to KfW and ADB. According, PMO submitted those sub-projects to ADB and KfW for approval and obtained concurrence of 165 nos. sub-project for tendering. The status of sub-project is presented in Table- 3-1.

Table 3-1 Status of Sub-project Implementation

Sl. No.	Sector	Sub-Projects Received from PIU		Sub-Projects Approved by PMO		Sub-Projects Awarded	
		Nos.	Amount (Million Tk)	Nos.	Amount (Million Tk)	Nos.	Amount (Million Tk)
1	Urban Transport	269	2060.76	158	1354.08	6	54.58
2	Drainage	87	666.62	5	53.21	0	0
3	Solid Waste Management	9	19.55	1	3.87	0	0
4	Water supply	14	103.16	0	0	0	0
5	Sanitation	8	24.58	1	2.5	0	0
6	Municipal Facilities	9	73.38	0	0	0	0
Total		396	2948.05	165	1413.66	6	54.58

Activities of the Consultants and Reporting

GICD Consultants

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.

Pourashava workshops on UGIAP: Phase -II activities were arranged in 16 Pourashavas to delineate each activity and to decide assigned persons to carry out the task. Pourashava workshops in 19 Pourashavas have arranged earlier in second quarter.

UGIAP Implementation Committees were formed in all 35 Pourashavas as per instruction from PMO to monitor and implement the UGIAP activities at Pourashava level. Detail status of of UGIAP: Phase -II implementation presented below;

Citizen Awareness and Participation

a. Citizen Charter & approved by TLCC

- All of the 35 Project Pourashavas prepared Citizen Charter (CC) and duly approved by the TLCC.
- 35 Pourashavas displayed CC in the suitable place at Pourashava premises.
- Published CC in the local newspaper and booklet.

b. Citizen Report Card (CRC) & approved by TLCC

- Citizen Report Card (CRC) already prepared and conducted piloting survey following the CRC in 6 selected Pourashavas for primary assessment and to develop the final CRC based on the findings of piloting. The finalization of CRC is in progress.

c. Grievance Redress Cell (GRC)

- Grievance Redress Cell (GRC) established with clear TOR in 35 Pourashavas and opened grievance box in 24 Pourashavas. The GRC became functioning and receiving of related complaints and their reviewing is continuing.

d. TLCC and WLCC meetings held on a regular basis

- Regular Quarterly meetings of TLCC and WLCC were conducted in all the 34 Pourashavas, prepared meeting minutes and distributed to the respective members of TLCC and WLCC.

e. Preparation of budget for 2011-2012

- Preparatory works for preparation of budget for 2011-2012 is already going on in all the 35 Pourashavas and will be discussed in the coming TLCC quarterly meeting.

f. Mass-Communication Cell establishment

- Mass Communication Cell (MCC) has been established in 35 Pourashavas. Observation of women's day has been conducted with the full participation of MCC for production of IEC, BCC materials, placards etc.

Urban Planning

- a. Preparation of Base Map, Land Use Plan and Drainage Master Plan are going on simultaneously in all the 35 Pourashavas through sub-contracting under MDS consultants and expecting to be completed. The contracting firm submitted the Inception reports in due time and also submitted 07 draft final reports which are in the process of reviewing by the PMO.
- b. Preparation of Annual O&M Plan and Budget is going on in all the 35 Pourashavas and is waiting for inclusion in the Annual Budget (FY 2011-12) of Pourashavas.
- c. LGD has already appointed 27 full time Urban Planners in the 27 class A Pourashavas.

Women's Participation

- a. All 35 project Pourashavas prepared Gender Action Plan (GAP) based the strategic issues of the respective Pourashavas and duly approved by the TLCC and Pourashavas.
- b. Regular monthly meeting during the reporting quarters has been completed by the GC in due time.
- c. Preparatory works for implementation of GAP activities have already been completed by the Pourashavas and is waiting for commencement of infrastructure activities.
- d. Preparation of Annual Budget for GAP is going on in all the 35 Pourashavas and is waiting for inclusion in the Annual Budget of Pourashavas.

Integration of the Urban Poor

- a. 19 Pourashavas have already been identified slums and formed Slum Improvement Committees (SICs) and identification of slums in the remaining Pourashavas is in progress.
- b. All 35 project Pourashavas prepared Poverty Reduction Action Plan (PRAP) based on the strategic issues of the respective Pourashavas and duly approved by the TLCC and Pourashavas.
- c. Preparation of Annual Budget for PRAP is going on in all the 35 Pourashavas and is waiting for inclusion in the Annual Budget of Pourashavas.

Financial Accountability and Sustainability

- a. Computer and accounting software have already been installed in 29 Pourashavas except 6 (six) class C Pourashavas and provided with the basic training to concerned

staff of the Pourashavas. Computerized accounting system and reporting has already been introduced in 15 Pourashavas. Introduction of computerized accounting system and reporting are in progress in the remaining Pourashavas and expected to be completed by this quarter.

- b. Computer and tax software have already been installed in 28 Pourashavas except 6 (six) class C Pourashavas and provided with the basic training to concerned staff of the Pourashavas. Computerized tax and billing system has already been introduced in 23 Pourashavas. Introduction of computerized tax and billing system and reporting are in progress in the remaining Pourashavas and expected to be completed by this quarter.
- c. Interim tax assessment is being carrying out in almost all of the Pourashavas and re-assessment of holding tax has already carried out in 21 Pourashavas . The preliminary activities for carrying out re-assessment is in progress of the remaining Pourashavas.
- d. Updating of non-tax own revenue sources according to the approved Model Tax Schedule (MTS) is being continuing in 35 Pourashavas from the beginning of the 1st quarter and remaining Pourashavas are going to initiate the activities of updating non-tax own revenue sources from this quarter.
- e. Due debts are being repaying according to the schedule by 21 Pourashavas the remaining Pourashavas do not have such debts.
- f. 19 Pourashavas those who have outstanding electric and telephone bills older than 3 months have already been started paying. All most all of the Pourashavas are being paying electric and telephone bills on a regular basis.
- g. Preparation of Financial Statement and carried out audit within 3 months by the Audit & Accounting Standing Committee is not due.

Administrative Transparency

- a. 7 Pourashavas have already developed adequate staff structure based on the size and the needs of the Pourashavas. Remaining Pourashavas already started reviewing and developing the staff structures as per their size and needs and expected to be completed by this quarter.
- b. 48 training sessions for the concerned officials have been conducted during the period by the participation of 2005 Pourashava officials.
- c. Arrangement of conducting training for the remaining Officials and the concerned committee members are in progress.

- d. Progress Report on UGIAP Phase II implementation are being submitting regularly by all the 35 participating Pourashavas.
- e. 32 Pourashava have already been formed Standing Committees as per Pourashava Act, 2009 and remaining Pourashavas already started to establish Standing Committees as per requirement.
- f. Ensuring Monitoring and evaluation of physical works by the regional LGED on progress and quality works is expected to be started as soon as commencement of the physical works.
- g. Developed a common web site for the PMO and PIU. PMO has already established the web site and establishment of the same at the PIU level is going on. However, 13 Pourashavas have started initiating their own web site.

GPD Consultant Team

During the last quarter of 2010, 11 training manuals with associated hand-books have been developed, designed and delivered to PMO by GPD's Training Unit. 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.

A list of 28 Information, Education and Communication (IEC) materials was finalized, out of which 13 have been selected as priority with the consent of the Project Director. The prioritized materials are currently developed.

The Training Team has submitted a concept for a trainers' training plan for Pourashava trainer pools and developed ToR for training consultants. Currently the Training of Trainers Package is in tendering process.

SIC guideline was prepared and endorsed by PMO. All 35 Pourashavas will follow the guideline for slum identification and committee formation after evaluation of results in testing.

A handbook on Citizen Rights and Responsibilities is in progress.

GIZ has extended its support to LGED and municipalities to initiate PPP pilot measures concentrating on service delivery in Solid Waste Management. Research on administrative performance is on-going, a review of the situation of access to services by the poor was undertaken by an international consultant.

Since June 2010 GIZ is in dialogue with LGD for further support to the national level. Since September 2011 an associate international expert is supporting the preparation of a national component of the Good Urban Governance Support of the German TC.

MDS Consultants

Mobilization of the Management Design and Supervision Consultants was originally planned to take place during Phase 1 of UGIIP-II. However, this could not start until Phase 1 was nearly over. Municipal elections were planned for 2010 in 24 of the 35 Phase 2 pourashavas. As a result the June 30 2010 deadline for completion of pourashava development plans (PDPs) was extended until 30 September 2010, while the Phase 2 period will still end on 30 June 2012.

The original planning budgets given for preparation of PDPs were 12.5, 10 and 5 crore Bangladesh Taka (BDT), for Class A, B and C pourashavas, respectively. In order to provide for subproject rejection pourashavas were advised to prepare plans for an additional 50% amount. Until the final accounting is made the amounts used for preparing the final Phase 2 subproject list will be 10, 8, and 3.5 crore, respectively, after deducting expenditure for equipment procurement and UGIAP activities such as the poverty reduction action plan (PRAP) and community-based organization (CBO) support.

Mobilization of the consultant's team started in May 2010. The month of March 2011 is the 11th month after MDS mobilization. Total contract man months of MDS Professional staff are 3,286. Up to the end of March 2011, 455, or 14%, of these man-months have been utilized. Additional crash work support of 18 man months has been used and requested from unallocated time. The MDS assignment duration (May 2010 through October 2014) is to be 54 months, of which 20% have elapsed.

MDS mobilized additional manpower to prepare partial transport sector subprojects for 1 Pourashavas for FY 2010-2011 that were submitted to ADB and KfW in the last week of January 2011 for review and consent.

In February 2011 a new Project Director (PD) was appointed for UGIIP-II by LGED. The new PD immediately began taking the initiative to minimize difficulties and process the backlog of pending work. The PD has taken a number of decisions on policies and procedures for submitting, scrutinizing, checking and appraising subprojects. He also assisted MDS with quick and clear decisions on various incremental aspects of subproject preparation and provided staff of the PMO to build closer team work.

In March the PD advised MDS on the budget and policy to be used to evaluate and finalize subprojects for processing. Based on this MDS has developed MIS forms for subproject processing, submission, reporting and monitoring. Subprojects will generally focus on repair/renovation/improvement of existing facilities and land acquisition for solid waste landfill/composting facilities. Major new facilities will be minimized.

In this quarter the PD decided with the consent of the ADB that complete subprojects to be implemented for Phase 2 for the various sectors should be prepared and submitted for each pourashava by the end of June 2011. This process is now being followed. The Project Implementation Units (PIU) have been advised to make the full submissions. The complete transport sector has now been prepared for all 35 pourashavas. 31 pourashavas have already invited bids for the transport sector and the remaining BOQs and bid documents will be completed in early April for the remaining invitations.

Starting with this quarterly report, detailed reporting will be provided on the progress of subproject preparation and implementation.

Mapping and drainage master plan work is behind schedule and only 25% complete. The PMO had asked for a revised schedule for completion of the various aspects of the work in order to more effectively monitor the progress. A meeting with the subcontractors was held in order to assess the current position of the work and press for improved and more timely performance. Although it will be difficult to complete the work by June remedial steps are being taken.

Baseline socioeconomic surveys and draft reports are complete for all 35 pourashavas, ready for use in preparing reporting plans by BME and awaiting comments from the PMO.

Water leak detection studies have not found qualified proposals. Traffic management studies TOR prepared.

Extensive field visits to 28 pourashava subprojects have been made by the head office specialists. In the remaining 6 pourashavas visits have been made by head office specialists as required. All pourashavas have had frequent visits by regional office staff and the daily presence of municipal engineers (MEs).

At the end of March the total design and submission completed for the urban transport sector for 688 schemes in 177 packages totals 400 km. Pourashava PDPs have been reviewed and revised concepts and rough estimates have been made as shown below.

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

BME Activity

BME team has helped MDS and PMO to prepare Economic and Financial analysis for subprojects. They are also involved in existing submitted draft socio-economic survey report. These report needed to be corrected and modified.

PME Activity

Received 1st quarterly progress report from 22 Pourashavas and 2nd quarterly progress from 10 Pourashavas under UGIIP – I for new entry in to the Project. Information / data of such quarterly progress report have already been entered in to the designed data base.

Received designed information from 87 Pourashavas other than UGIIP-I and UGIIP-II for new entry in to the Project. Information / data of such Pourashavas have already been entered in to the designed data base.

Analysis of data of Pourashavas for other than UGIIP-I and UGIIP-II for new entry is going on.

Periodic field visits were conducted in the Project Pourashavas during the quarter to assess and observe the process of UGIAP - II activities and conducted discussions with respective PIO personnel on the issues of progress and performance of UGIAP Phase – II activities.

Collected Quarterly Progress Report (October-December, 2010) from the Pourashavas on UGIAP: Phase – II activities.

Reviewed the progress reports and identified the gaps and laps in the reports and identified the issues to be addressed as per TOR for improvement of UGIAP Phase - II activities.

Data of 1st quarterly progress (October – December, 2010) reports of all Pourashavas has been entered in to the designed data base.

Regular feed back system has also been developed to provide supports to the PMO to keep the UGIAP Phase – II activities in the right tract of functioning.

Made several discussions with the GPD counterparts on different issues of training manual and monitoring tools and techniques. Assist in developing the guiding formats for conducting TLCC meeting and preparation of meeting minutes and working paper in an effective way based on the designed UGIAP activities.

Conducted field visit for field level checking of progress of UGIAP Phase II activities and observation of TLCC meeting at Ghorashal, Sreepur, Narail and Jhenaidha Pourashavas.

Conducted interaction meeting with the PMO, GICD Team Leader and Deputy Team Leader on findings and remarks on the process of TLCC meeting and laps and gaps in the implementation of UGIAP – II activities.

Data of 1st quarterly progress (October – December, 2010) reports of all Pourashavas of UGIIP – II has been entered in to the designed data base.

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.

Analysis of data of Pourashavas other than UGIIP-I and UGIIP-II for new entry is going on.

Preparation of working paper for MPRC forthcoming meeting to be held possibly on April, 2011 is going on.

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

Capacity Development and Training

Training is an important component of UGIIP-II. The objective of the training is to improve skill and capacity of the concerned officials of Pourashavas including Executive Engineers/ Assistant Engineers, Accounts Officer and Account assistant, Secretary of Pourashavas, TLCC and WLCC members, CBO Executive Committee Members, Gender Committee Members. Total 48 training sessions have been conducted by the participation of total 2005 participants which includes 1507 male and 518 female. The brief progress report on orientation/training courses in attached as **Annexure – VIII**.

Procurement Status

National Competitive Bidding (NCB)

Total 17 packages for procurement of Goods have processed till the project started. The estimated cost of 17 NCB packages are amounting Tk 107.989 million. Among these 17 packages 14 packages have been completed amounting Tk 70.454 million. Detailed of the procurement status is attached as **Annexure- IX**.

International Competitive Bidding (ICB)

Total 15 packages for procurement of Goods have processed till the project started through ICB. The estimated cost of 15 ICB packages are amounting Tk 797.06 million. Among these, 06 packages have been awarded amounting Tk 207.428 million. Detailed of the procurement status is attached as **Annexure- IX**.