

Government of the People's Republic of Bangladesh

Local Government Engineering Department

Second Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-II)

Quarterly Progress Report (QPR-15)

Period July – September 2012



ADB Loan No. 2462 BAN(SF)**October, 2012****Table of Contents**

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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 : 63.00 % (as of loan effectiveness)
15. Date of Last Review Mission : Last Review Mission MTR was held from 21 April – 7 May, 2012.

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

**Table 1.2 : Cumulative Progress of the Project
As of 30 September, 2012**

Sl. No.	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		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	100	5.00
C.	Phase-2	35		33.40
8	Implementation of UGIAP : Phase 2	12	100	12.00
9	Detail Design and Bid Preparation	3	100	3.00
10	Conclusion of Sub-project Agreement and Subsidiary Loan Agreement	1.5	100	1.50
11	Tendering and Contract Award	3	100	3.00
12	Implementation and Supervision	8	95	7.60
13	Performance Evaluation of UGIAP: Phase 2	1.5	100	1.50
14	Land Acquisition for Phase 3 Physical Investments	6	80	4.80
D.	Phase-3	30		3.00
15	Implementation of UGIAP: Phase 3	15	10	1.50
16	Detail Design and Bid Preparation	3	50	1.50
17	Conclusion of Sub-project 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		71.40

1.3 Financial Status and Expenditure

Financial plan and expenditure is summarized at Table 1.1.

Table 1.1 : Approval Statuses and Expenditure as of 30 September, 2012

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Exchange Rate : US\$ 1= BDT 81.67 (as of 30th September, 2012)

Cumulative Progress up to 30 September, 2012: Physical – 71.40%, Financial – 42.40%

Figure -1: Contribution to the Total Project

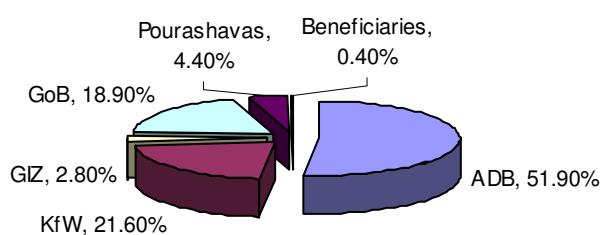
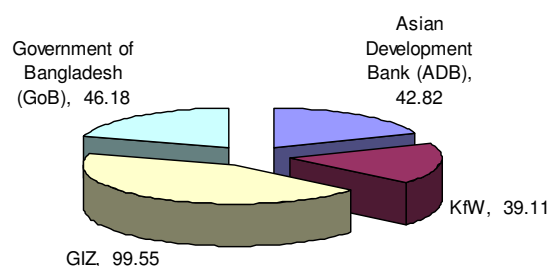


Figure-2: Actual Expenditure



SECTION – B

2.1 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 Pourashavas to undertake governance reform.

2.2 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 Pourashavas 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.

2.3 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.

2.3.1 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 performance of governance improvements.

2.3.2 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 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.

2.3.3 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.

2.3.3.1 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.

2.3.3.2 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.

2.3.3.3 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 6 PSs namely Jamalpur, Faridpur, Natore, Jhalakhati, Chandpur and Sreemongal for providing direct support with facilitators during the 3rd Phase of the project.

2.3.3.4 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.

2.3.3.5 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.

2.3.3.6 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.

2.4 Locations

The project is being implemented in 35 Pourashavas in Bangladesh. Project area is widely spreaded all over the country. Division wise distribution of project Pourashava is shown in **Table 2.1** and location Map is attached in **Annex - I**.

Table 2.1 : Division wise distribution of Pourashavas

Serial	Division	Name of Pourashavas	Class	Remarks
1	Dhaka	Mymensingh, Faridpur, Jamalpur, Ghorashal, Munshigonj, Gopalganj, Madaripur	A	11 Pourashavas
		Sreepur, Bhanga, Dhanbari	B	
		Mirzapur	C	
2	Chittagong	Noakhali, Chandpur, Cox's Bazar, Brahmanbaria, Chowmuhani, Bandarban, Khagrachori, Hajigonj,	A	10 Pourashavas
		Bashurhat	B	
		Parshuram	C	
3	Khulna	Satkhira, Jhinaidah, Narial, Chouadanga, Kushtia	A	6 Pourashavas
		Benapole	C	
4	Rajshahi	Thakurgaon, Kurigram, Gaibandha, Sirajgonj, Natore, Pabna, Nilphamari,	A	10 Pourashavas
		Patgram, Kakanhat	B	
		Nachole,	C	
5	Barisal	Bhola, Barguna, Jhalakathi, Patuakhali, Lalmohan	A	6 Pourashavas
		Kalapara	C	
6	Syllhet	Sunamgonj, Sreemangal,	A	3 Pourashavas
		Golapgonj	C	
Total				47

2.5 Implementation Period

Project Period is 1st January, 2009 to December, 2014. The Project will be implemented in 3 phases and the 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	Successfully Completed
3 rd	01.07.2012 to 31.12.2014	2 years 6 months	Implementation on-going

*(* 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.)*

2.6 Implementation Arrangements

2.6.1 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) 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 is to convene whenever necessary, but not less than at least once every three months.

A Project Management Office, (PMO) has been established for the overall management of the Project. The PMO headed by Project Director (PD) who is 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 is managing the overall project implementation including the followings:

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

Existing central and regional Urban Management Support Unit (UMSU) has been providing 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 has been functioning as secretariat of MPRC in assessing performance of Pourashava based on UGIAP performance criteria. Superintending Engineer, Urban Management wing of LGED has been acting as Director of UMSU. The Additional Chief Engineer in-charge of urban management has been coordinating the project activities under overall guidance of the Chief Engineer, LGED.

2.6.2 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 (for A class Pourashavas) /Assistant Engineer (for B & C class Pourashavas); (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.

2.7 Special Features

2.7.1 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.

2.7.2 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.

2.7.3 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.

2.7.4 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.

2.7.5 Fund Allocation among Pourashava

Investment Ceiling: The maximum amount of funds to be allocated to each Pourashava (the investment ceiling) is Tk.250 million for class A Pourashavas, Tk.200 million for class B Pourashavas, and Tk.100 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.

3 SECTION – C: Third Phase Activities and Progress

3.1 Project Management Office (PMO)

June 2012 was the closing month of UGIAP Phase-2 implementation period. It was a challenging job for the Pourashava to comply with the performance based time-bound approach in implementing the activities of UGIAP Phase-2. It was obvious that the successful completion of the tasks under 27 activities of 6 areas will ensure the Pourashavas for getting benefits of Phase-3 and getting the additional fund for investment. With this end in view, the Pourashavas took the challenge putting all-out efforts to achieve the target with the full assistance of PMO. Every officials and consultants concerned did a tremendous job under pressure complying with this sensational target and finally the June is ended with positive outcome of the Project.

On the whole, achievement of holding tax collection displayed substantial upward-sliding progress that are attributable to the hard endeavors of the PSs, triggered by a motivating and educating effort of the PMO and in 33 out of 35 PSs, the collection efficiency was 80% and above. Updating of non-tax own revenue sources according to the approved Model Tax Schedule (MTS) were completed and introduced in 35 PSs. Progressive non-tax aggregate revenue collection increases had been in excess of the UGIAP stipulated GoB declared inflation rates (10.76%) and hence the targets were successfully met.

In the end of the 2nd phase i.e. 30th June, 2012, performance of 35 project Pourashavas were evaluated independently by Performance Monitoring and Evaluation (PME) Consultants, based on the MPRC approved evaluation criteria, prepared jointly involving all stakeholders including the representative of development partners. On final assessment of UGIAP performance of the Pourashavas by the MPRC meeting held on 22 July, 2012, 31 PSs were found 'fully satisfactory', 3 found 'unsatisfactory' because they failed to pay outstanding electricity bill in full (Bagerhat, Dinajpur, Rangpur) and could not qualify for 3rd phase of the project and Comilla Pourashava already stood upgraded as City Corporation and was found to have limited scope to implement UGIAP activities and therefore, the MPRC decided to leave out Comilla from the 3rd Phase.

The project kept the provision for inclusion of new Pourashavas at the end of 2nd Phase of UGIIP-II, 16 Pourashavas have been selected by the MPRC meeting held on 22 July, 2012 with highest ranking based on the evaluation on defined and approved entry criteria. The Inter-ministerial Steering Committee (ISC) finally selected 31 successful PSs out of 35 and selected 16 new entrant PSs as recommended by the MPRC.

Now while, for phase-I and phase-II, there had been specific yardsticks, the project design did not envisage any such benchmarks or gauges (or UGIAP) for the 3rd or final phase of the project. It is apprehended that absence of any such parameters for achievement may slacken the PMO's grip on the participating PSs in getting them to perform efficiently. This thought necessitates evolving a set of issues and elements and their corresponding compliances that could be a binding on these PSs to perform. It is contemplated incorporating some kind of 'Reward' and 'Penalty' provisions attached to the performance. It is believed that such a UGIAP provision and its concomitant reward & penalty arrangement may help secure a successful finish to the project and achievement of its objective. The matrix outlines a list of such areas and doable for the PSs is present in **Annex- II**. The UGIAP provision and its concomitant reward & penalty arrangement have already been transmitted to the project PSs for agreed upon the proposed UGIAP activities and its performance criteria and as such the PSs committed to the assignment.

At the end of 2nd phase 31 PSs were found 'fully satisfactory' based on UGIAP performance and as per provision 16 PSs have been selected as new entrant PS adding together 47 PSs as project Pourashavas in the 3rd Phase of the project. With a view to smooth running and implementation of project activities concurrently in all 47 PSs, the PMO organized an orientation workshop on UGIIP-II and UGIAP Phase – III activities during 28 – 29 August, 2012 participated by Mayor, Executive/Assistant Engineer and secretary of 47 project Pourashavas.



To address Governance issue in new entrant Pourashavas, rearrangement of GICD Consultants inputs have been meticulously thought through in the PMO, along with ADB officials, during the transition

period and accordingly, extension proposal of GICD Consulting Services till December, 2013, stating the fact was submitted to ADB for formal approval and has already been approved by the ADB. In the intervening time, existing consultant's inputs have been reorganized / restocked at the Pourashava level and each new Pourashava has already provided with two experienced facilitators, trained in 2nd phase for quick promotion of Governance activities. Framed Governance activities introduced in old 31 graduated Pourashavas is being monitored by one trained facilitator, in order to maintain their performance level.

Meanwhile, MDS consultant's inputs have been reorganized / restocked at the Pourashava level and each new Pourashava has already provided with one experienced Municipal Engineer (ME), trained in 2nd phase for quick assessment of infrastructure activities and performance of related activities including sub-project selection, preparation, implementation etc.

As TLCC and WLCC are being considered as the main forum to discuss the implementation process of UGIAP activities, necessary steps have been taken to form new TLCC and WLCC and or revised the existing TLCC and WLCC and also to form different others committees including Gender Committee, Grievance Redress Cell (GRC), Mass communication Cell (MCC), Town Planning Unit (TPU) and CBOs in the new entrant Pourashavas as per provision of the Project.

During the quarter, particularly strong emphasis was given to the new entrant Pourashavas to prepare the Pourashava Development Plan (PDP) through performing the different stages of PDP preparation including inception workshop, focus group discussion, basic socio-economic and stakeholder analysis, Ward Visioning, and Pourashava Visioning.

One of the major activities during the quarter was the exposure field visit of Srilanka team comprising of chief secretaries of 9 Provincial Governments under the ministry of Local Government and Provincial Council including PMO and consultant's team leaders of UGIIP-II from 23th to 27th September 2012 that visited Faridpur and Jhalakati Pourashavas. The team specially observed the ongoing implementation of various UGIAP activities and infrastructure improvement schemes including gender and CBO courtyard meetings and also attended in the special TLCC meetings.



3.2 Project Implementation Unit (PIU)

On getting proper guidance from PMO for preparing sub-projects, the Project Implementation Units (PIU) have accelerated their performances and succeeded to submit and implement the sub-projects..

PIUs are also implementing time bound activities of UGIAP Phase-III activities with the assistance of GICD Consultants and GPD team under close supervision of MPO. TLCC, WLCC and GC meeting are being held on regular basis in all 31 old Pourashavas. Mass Communication Cell (MCC) and Grievance Redress Cell (GRC) have been also conducting their regular meetings as per requirement of UGIAP implementation.

Under the proper guidance of PMO, all new entrant Pourashavas established Project Implementation Units (PIU) and have accelerated their performances regarding UGIAP implementation and also submitted the 1st quarterly progress report.

3.3 UGIAP: Phase-III Implementation

In this quarter the UGIAP implementation has got momentum in all old and new entrant Pourashavas. Review meetings on UGIAP: Phase – III activities and Implementation process have been organized with the relevant officials of the Pourashavas by the Regional Coordinators and Facilitators working under the GICD Consultants in order to accelerate activities at the field level. There are 24 activities under 6 working areas of UGIAP phase III those are under implementation. A brief of UGIAP Phase-III implementation progress is discussed in **Article 3.5.1**.

3.4 Sub-projects Preparation, Submission and Approval

During the quarter, the PIU submitted a number of sub-projects for 3rd phase of the project which are under the process of reviewing by the MDS consultants and are in progress.

Up to the quarter, the PMO approved 354 nos. sub-projects of costing Tk. 3486.078 million on approval by the ADB and KfW. PIU awarded 353 nos. sub-projects of costing Tk. 3670.301 million. The status of sub-project is presented in **Table 3.1**.

Table 3.1 : Status of Sub-project Implementation

Sl. No.	Sector	Sub-Projects Approved		Sub-Projects Awarded	
		Nos.	Amount (Million Tk)	Nos.	Amount (Million Tk)
1	Urban Transport	202	1988.967	201	2047.624
2	Drainage	51	757.187	51	838.127
3	Solid Waste Management	19	47.153	19	50.426
4	Water supply	9	82.181	09	92.282
5	Sanitation	20	55.533	20	61.507
6	Municipal Facilities	32	359.045	32	384.323
7	Urban basic services	21	196.012	21	196.012
Total		354	3486.078	353	3670.301

3.5 Activities of the Consultants and Reporting

3.5.1 GICD Consultants

The outcome of the GICD is to improve governance and develop capacity in Pourashavas (PSs) through carrying out series of reformed activities in 6 (Six) key areas defined in the Urban Governance Improvement Action Program (UGIAP) in Phase-III of UGIIP-II. The areas are: (1) Citizen Awareness and Participation, (2) Urban Planning, (3) Women participation, (4) Integration of the Urban Poor, (5) Financial Accountability and Sustainability, and (6) Administrative Transparency. The report is prepared considering the progress of governance improvement for PSs as stated in the TOR. There were some challenges in implementing the UGIAP Phase-III activities specially for the new entrant Pourashavas. However, that have addressed efficiently by the PSs and shown their tremendous performance with the assistance of the PMO and GICD team. The progress status of the activities of 6 key areas of UGIAP Phase-III implementation during the quarter of July - September 2012 is as follows and details are attached in **Annex III**.

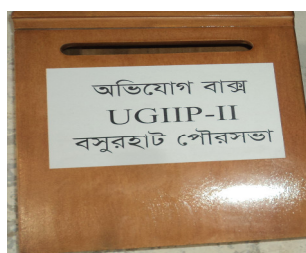
Key Areas of UGIAP Activities and Status of Progress

Citizen Charter (CC): All 16 new entrant Pourashavas prepared Citizen Charter (CC) that was duly approved by the respective TLCCs and were subsequently displayed by 11 PSs in suitable places of the PS premises and displaying of CC in remaining 5 PSs namely Pabna, Khagrachari, Nilphamari, Madhabpur and Hajigonj is in progress. Displaying of CC are found continuing in old 31 project PSs

Citizen Charter (CC) Display at Bashurhat PS



Citizen Report Card (CRC): was also prepared by all 16 new entrant PSs that were reviewed and fine tuned by the PMO to arrive at a universal format for use by the PSs. The format so evolved was subsequently endorsed by individual TLCCs.



Grievance Redress Cell (GRC): has successfully been established with clear ToR and complaint box has also been placed at the PS Office as per UGIAP in 11 new entrant PSs and formation of GRC is in progress in remaining 5 PSs.

The GRCs in old project PSs received a total of 1074 grievances and registered them in the register book and resolved 671 grievances in the Pura Parishad meetings and action has been taken to-date.

Regular Quarterly meetings of TLCC and WLCC: were conducted in all PSs including new entrant PSs under Phase III, minutes were prepared and distributed among the respective members of TLCC and WLCC. A total of 47 regular quarterly meetings of TLCC were conducted participated by 1268 member with an average 32% attendance by the female member.



On the other, WLCC as well conducted 528 regular quarterly meetings that were participated by an average 78.84% of total members including 43.91% female. All the PS submitted the meeting minutes to PMO with the quarterly progress report.

Mass Communication Cell (MCC): has been established in 13 new entrant PSs with defined ToR and formation of MCC in remaining 3 PSs is in progress.

MCCs of the old 31 PSs are being found functioning and conducted 31 regular meetings and MCC have been organizing and conducting several motivational works using leaflets, local cable network and miking on different aspects of social issues, including observation of International Days, tax payment, solid waste management and environmental improvement. MCC, as well, organized ward wise rallies on various issues of national/international days using IEC, BCC materials, placards, etc. with the participation of city dwellers.

Urban Planning: activities included preparation of annual O&M work plan along with necessary budget requirement and approving it as a part of PDP. Annual O&M work plan along with necessary budget have been prepared in 11 PSs and in progress to include in the PDP and preparation of Annual O&M work plan budget are in progress in remaining 5 new entrant PSs.

Reviewing progress of O&M works and expenditure are found continuing in all old 31 PSs.

Preparation of GAP: Gender Committee has already been formed in 15 new entrant PSs except Pabna which is in progress. Preparation of Gender Action Plan (GAP) is in progress in 12 new entrant PSs based on the strategic issues of the respective PSs and 4 PSs have already prepared GAP and allocated budget for GAP and are in progress to include in the PDP. PMO conducted orientation workshops/training for the relevant PIO officials and extended all out supports for preparation of GAP.

The GCs of old 31 PSs conducted 93 regular monthly meetings in due time participated by 330 male and 303 female members with an aggregate attendance of 52% by male and 48% by female members. Implementation of GAP activities are progressing. All the 31 entity prepared quarterly progress reports on GAP implementation and submitted to the PMO.



Participants in the GAP Training

Integration of Urban Poor: prepared Poverty Reduction Action Plan (PRAP) based on the strategic issues of the respective PSs and is in progress to include in the PDP by 10 new entrant PSs and 6 PSs have already prepared PRAP and allocated budget for PRAP and are in progress to include in the PDP. PMO conducted orientation workshops/training for the relevant PIO officials and extended all out supports for preparation of PRAP. Selection of slums in the new entrant PSs are in progress.



Preparation of PRAP at Bashurhat PS

PRAP implementation in all 31 old PSs are in progress and prepared quarterly progress reports on PRAP implementation and submitted to the PMO.

PDP Preparation in New Entrant Pourashavas: All 16 new entrant PSs have been conducting different activities of PDP preparation including inception workshop, focus group discussion, basic socio-economic and stakeholder analysis, Ward Visioning during the quarter.

A total of 16 inception workshops, 134 Focus Group Discussions (FGD) and 40 Ward Visioning have already been completed by the 16 new entrant PSs during the quarter. The Pourashava Visioning and PDP preparation are in progress and expected to be completed by the 2nd quarter of Phase – III.



Participants in the PS Visioning at Bandarban

Computerization of accounting System: computerized accounting software have already been functioning in 47 PSs. Computerized accounting system and reporting has been continuing in 45 PSs except Ghorashal and Dhanbari PSs which are facing some technical problems. However, necessary steps have already been taken by the PMO to introduce the system and basic training for the concerned staff of new entrant PSs is going on.

Computerization of tax billing: Computerized tax software have already been functioning in 47 PSs and computerized tax and billing system has been continuing in 43 PSs except Bhanga, Nachole and Kakonhat PSs. However, necessary steps have already been taken by the PMO to introduce the system and basic training for the concerned staff of new entrant PSs is going on.

Interim holding tax assessment: had been and is being carried out in 42 PSs as a continuous process. Re-assessment of holding tax is going on for execution in 2013-2014 in Benapole and Ghorashal PSs and reassessment remain due from 2011-2012 in Bandarban and Kushtia PSs and from 2012-2013 in Nilphamari PS.

Holding Tax Collection: A total amount of Tk. 143,062,587 has been collected as holding tax against the total targeted amount of TK. 693,848,582 for the FY 2012-2013 by the 47 PSs during the 1st quarter representing an aggregate collection efficiency of 20.62%. However, holding tax collection efficiency exceeded 30% and above in 9 PSs, while the aggregate collection efficiency of old 31 PSs is 20.44% and new entrant PSs is 21.10%.

Non-tax Revenue Collection: A total amount of Tk. 294,027,309 has been collected as non-tax revenue against the total targeted amount of TK. 1,860,705,736 for the FY 2012-2013 by the 47 PSs during the 1st quarter representing an aggregate collection of 15.80%. However, non-tax revenue collection exceeded 30% and above in 5 PSs, while the aggregate collection of old 31 PSs is 14.83% and new entrant PSs is 18.58%.

Updating of non-tax own revenue sources according to the approved Model Tax Schedule (MTS) were completed and introduced in all 16 new entrant PSs

Water Billing and tariff Collection: Out of 47 PSs 38 PSs have the facilities of piped water supply system and remaining 9 PSs do not have piped water facilities namely Banapole, Ghorashal, Golapgonj, Mirzapur, Nachole, Parshuram, Sreepur, Bashurhat and Kakonhat.

A total amount of Tk. 39,139,595 has been collected as water tariff during the 1st quarter against the total targeted demand of TK.178,961,200 by the 38 PSs representing an aggregate collection efficiency of 21.87%. However, aggregate collection efficiency of water tariff in old 24 PSs is 17.74% and in 14 new entrant PSs is 41.45%.

Due debts have been and are being repaid conforming to specified schedules. As per record, only 17 out of 31 old PSs have institutional debt, 383 installments have been repaid and 6 installments remain due up to the 1st quarter. While 9 new entrant PSs have institutional debt, 135 installments have been repaid and 29 installments remain due up to the 1st quarter. However, 11 old PSs and 4 new entrant PSs are repaying loan as per agreed payment schedule.

An amount of Tk. 81,981,284 has already been repaid against the loan amount of Tk. 174,678,305 by the old 17 PSs and an amount of Tk. 23,269,033 has already been repaid against the loan amount of Tk. 35,902,378 by the new entrant PSs.

Electric Bills: PMO inspired the PSs to try and settle Electric & Telephone Bills arrear and current payables. During the quarter 25 PSs (17 old and 8 new entrants) out of 47 PSs fully paid their arrear and current electric bills amounting Tk. 13,658,510 and 22 PSs (14 old and 8 new entrants) fell short of meeting the payment and an amount of Tk. 64,274,000 remain due.

Telephone Bills: During the quarter 38 PSs out of 47 PSs fully paid their arrear and current telephone bills amounting Tk. 396,573 and 9 PSs (5 old and 4 new entrants) fell short of meeting the payment and an amount of Tk. 825,400 remain due.

Financial Statement and Internal Audit: Audit & Accounting Standing Committees were formed in all 16 new entrant PSs.

Financial statements are now prepared on a regular basis and the relevant audits & accts standing committee carries out the auditing in all 31 old PSs and they submitted the audit report for the FY 2011-2012 in due time. Review of these reports by the PMO is in progress.

Development of adequate staff structure: LGD has already been developed staff structure according to size, class and needs with detailed job descriptions to enable the ULBs to effectively undertake its current and future obligation of PSs. Elected representatives, PSs officials and concerned citizen are being participating in training programs organized by the PMO and PIO. Progress Report on UGIAP implementation submitted on time to PMO, Standing Committees established and found activated in all 47 PSs. Evaluation and monitoring by regional LGED ensured to oversee progress and quality of physical works. Activities for e-governance already initiated in 31 old PSs and initiative for introduction of e-governance in 16 new entrant PSs is in progress.

Training and Orientation: a two day orientation workshop has been organized by the PMO on UGIIP-II and UGIAP Phase – III activities on 28 – 29 August, 2012, participated by Mayor, Executive/Assistant Engineer and secretary of 47 project Pourashavas. A total of 116 participants participated in the session.

Training of PS Official on GAP and PRAP Preparation



Websites has already been established in all old 31 PSs, with regular uploading being done. Reportedly, the PSs took initiatives to build awareness on e-governance among the officials and staff and also arranged training for staff on e-governance. Websites development in 16 new entrant PSs are in process.

3.5.2 GPD Consultant Team

GIZ provides TC as a support within the overall scope of “Good Governance in Urban Areas Project”. The German TC contribution’s methodological approach involves building the capacities of relevant local and national administrative units, to design and implement coordinated measures that will help improve the effectiveness of local services and tailor them to meet demands. The German TC contribution will provide methodological, financial and technical inputs towards developing national services, to build the capacities of local decision-makers and administrative staff, enabling them to effectively steer urban development (outputs). The relevant institutions will use these outputs to further develop their know-how and experience, in order to expand existing curricula and improve training materials. Even after German TC contribution’s measures have been completed, training will be available to staff in Pourashavas (Municipalities) throughout Bangladesh, enabling them to provide efficient, demand-oriented services (use of outputs). This will generate the following direct result: The capacities of local governments will be built, to provide more efficient municipal services as regards urban management with greater public accountability, and the transparency of decisions related to public services and the use of public funds will have improved. This will enhance living conditions for population groups in urban areas with inadequate services. The German TC contribution’s measures will also have a positive effect on the environment thanks to improvements in land management and the sustainable use of natural resources (indirect result). The German TC contribution will improve the

development and implementation of public policies, with increased public participation (highly aggregated result). This will strengthen democratic governance, improve public administration, and consolidate the legitimacy of government action. Against this background, the German TC's support component will cover supplies of materials and equipment and advisory and training measures, amongst other things for decision-makers and actors in the relevant Pourashavas and the MLGRDC and its executing institutions. National and international experts from GIZ works on governance improvement initiatives jointly being identified and developed further within the scope of UGIIP-2, targeting the Project Municipalities. To this effect, GIZ engaged one International Principal Adviser (PA) to steer the entire German TC. A group of senior national advisors, advisors and experts are engaged at national, regional and local level. GPD Experts will support PMO, 6 Regional LGED HQ's & the 6 selected municipalities to deliver capacity development measures and to disseminate best practices among the project and other selected municipalities through a horizontal learning package jointly with the GIZ supported "Good Governance in Urban Areas Project". In addition, GIZ may also provide need-based national consultants for supporting advisors in providing TC in the relevant areas of GIZ intervention. Furthermore, local subsidies are provided, to run pilot measures to develop and disseminate good governance practices and details are attached in **Annex IV**.

3.5.3 MDS Consultants

Pourashava Development Plans (PDP) were planned to guide Project investment and were expected to be completed by the end of Phase 1 i.e. at the end of June 2010. A 3 month extension was given for this work until 30 September 2010 into the 2-year Phase 2 which began on 1 July 2011 and ends on 30 June 2012. MDS support for preparation of the PDPs was originally envisioned, but due to the late mobilization of MDS the PDPs were largely prepared without input from MDS.

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 some possible subproject rejection, pourashavas were advised to prepare plans for an additional 50 per cent. These indicative budgets included expenditures for equipment procurement and UGIAP activities such as community-based organization (CBO) support and PRAP (CAP) which varied from one pourashava to another.

Mobilization of the consultant's team started in May 2010. The month of June 2012 is the 26th month after MDS mobilization. Total contract man months of MDS Professional staff are 3,286 including 100 man months of unallocated time). Up to the end of September 2012, approximately 1225, or 36 per cent, of these man-months have been utilized.

The Project Director continuous to supports MDS with quick decisions on policies and procedures for appraising and preparing subprojects, tender evaluation and quality control. The PMO staff continues to improve communication and coordination with MDS. Since March 2011 MDS has been advised on the budget and policy to be used for subproject processing, submission, reporting and monitoring.

Mapping and drainage master plan work have been completed.

Baseline socioeconomic surveys and revised final reports incorporating PMO comments have been completed.

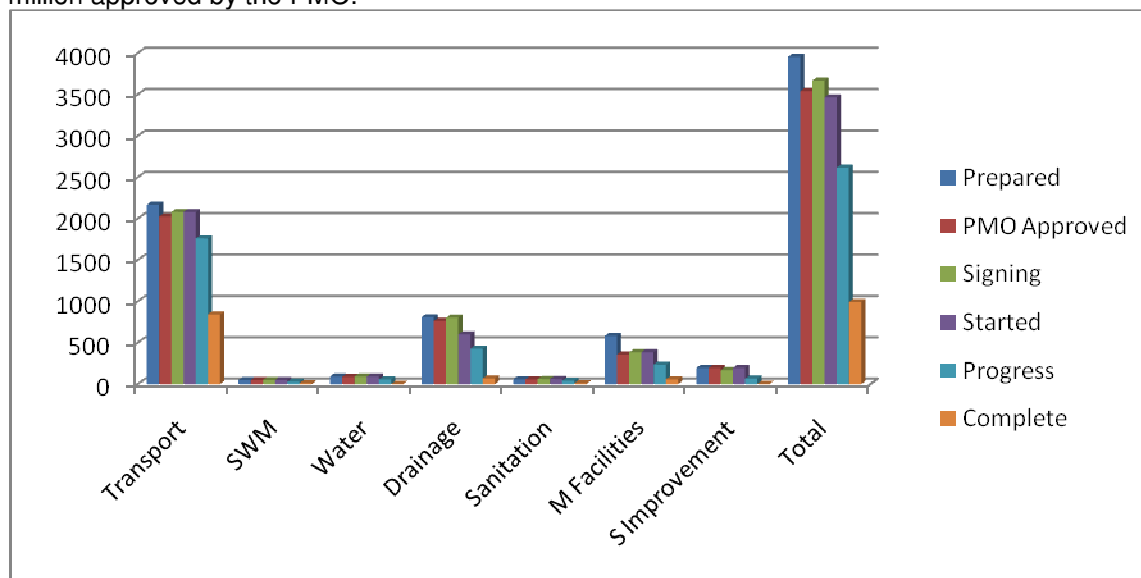
Water leak detection studies have not found qualified proposals and traffic management studies may not be useful at this time.

Visits by the MDS head office are being made to subproject schemes as required for appraisal and design. This is supported by subproject site checking by MDS municipal engineers MEs and Regional Environmental and Resettlement Specialists. At the head office MDS has reviewed designs and estimates submitted by the pourashavas, and revised them as needed.

Phase 2 subproject preparation has been completed since Quarter 13. Subproject approval is close to the target expenditure. Contract signing has improved considerably since Quarter 13, but the starting and completion of physical works are seriously delayed and caused failure to complete many works by the end of Phase 2. To address this, time extension needed on many cases.

A summary of the status of subprojects by sector is presented in the graph below. Infrastructure

subprojects and land acquisition with a value of nearly 4,058 million BDT have been prepared, 3,406 million approved by the PMO.



BOQs and tender documents, including environmental and social safeguards, are being prepared as subprojects are ready.

MDS along with the BME team has collected information and prepared subproject EIRRs and FIRRs. FIRRs have been prepared for major revenue generating subprojects. Subprojects for upgrading or with minor revenue are proposed to be financed with full grant funding, requiring no FIRR. O&M recommendations are included in all subprojects and are a main aspect of design for drainage and water subprojects. Soil testing and structural design have been prepared as needed.

There is a need for revised/additional staff, equipment, office space, improved pourashava/PIU responsiveness, improved quality control, approval for substitutions, etc. Lessons learned in Phase 2 have identified needed MDS project management improvements for Phase 3 which need discussion and approval by the funding and implementing agencies. The PMO and the Joint Venture have been informed of these.

Savings in budget funds from late mobilization are needed for equipment, furnishing, transportation and communications expenses, and additional staff.

Monitoring and supervision are well under way and will accelerate in the next quarter. Final bill certification and payment processing is in progress and details are attached in **Annex V**.

3.5.4 BME Activity

BME- span of UGIIP II

Benefit Monitoring and Evaluation (BME) of any development undertaking stands to be extremely essential for its entire expanse of its stakeholders, specifically for the entities who invested into it. It is equally important for the implementers of the intervention. For UGIIP II as well, BME activities are being carried out as a vital requirement for the PMO, as well as GoB and essentially, for the project's financiers that includes ADB, KFW and GIZ.

Now while progress to date in BME and its pertinent contexts have already been reported in successive QPRs, narrated below is a brief description of the activities carried out in BME and its germane contexts.

Salient activities during Jul-Sept'12 Quarter

Within the Jul-Sept'12 quarter, certain significant activities were carried out by the BME team inclusive of a few other activities explicitly and implicitly linked to the BME-façade. In brief, those were:

- A full proposal was prepared along with all requisite questionnaires (instruments) for carrying out socio-economic benchmark survey (BMS) at 16 new-entrant pourashavas of the 3rd & final phase of UGIIP II. The proposal was accepted by the PMU and the survey has started forthwith.
- Simultaneously, a full proposal was also prepared for carrying out a BME-related survey in 7 (seven) PSs under UGIIP II. These 7 PSs were picked up (on discussion with the PMU) based on 1 (one) from each of the 7(seven) administrative divisions within the project periphery.

Reiterating, through this survey, the PMU should be able to get a picture of the overall situation in respect of the implementation of different project components, people's perceived benefits from these features, both direct and indirect and certain recommendations /suggestions from these beneficiaries towards further consolidation and improvement of poura-services.

It is believed that the findings from the survey of these seven PSs would help draw inference on the entire project area in getting a measure of the harvested /harvestable benefits from the interventions of UGIIP II todate.

- In addition to above, a UGIAP framework was evolved specifically focussing the 3rd phase of UGIIP II (incidentally, there had been none in the project design for this phase) which culminated into the current shape through discussion with the different sections and specialists working under UGIIP II-fold. A copy of the framework is attached at Annex – C. Incidentally, the issue was discussed and subsequently endorsed by the MPRC and eventually presented in the orientation seminar wherein the new PS-mayors and officials, alongside old ones, were familiarized with the relevant parameters and doables of the framework.
- In addition, the all-important working paper for the MPRC in respect of their considerations regarding the PSs' graduating to the 3rd and final phase of the project was prepared by the section. One of the core provision of the document included a reflection of the highlights of the project and its 'silver-line' achievements todate.
- Lastly, a well-considered project brief and update (up to end-Jun'12) was meticulously prepared and made available for general consumption.

3.5.5 PME Activity

The Urban Development Expert and Team Leader, Performance Monitoring and Evaluation (PME) is being working under the overall supervision and guidance of the Director, UMSU. The PME team has also been working in close coordination with Project Monitoring Office (PMO), Project Implementation Units (PIUs) and Urban Management Support Unit (UMSU), Governance Program Development (GPD) and Governance Improvement and Capacity Development (GICD) consultant teams. The main objective of PME is to support the UMSU and the PMO in the field of monitoring and evaluation of UGIAP activities and ranking of Pourashavas based on the performance of UGIAP. Evaluation of each of the Pourashava is mandatory at the end of each phase for ranking by the MPRC for fund allocation. The PME is also supporting the MPRC in the relevant field of evaluation and ranking.

In view of the above, the following activities have been performed during the quarter of April-June 2012 based on the designed activities in the TOR.

- Supervision, monitoring and daily updating of data base of UGIAP Phase II activities and finding of laps and gapes in the submission of quarterly progress reports of the Pourashavas.
- Reviewed the progress reports and identified the issues to be addressed as per TOR for improvement of UGIAP Phase - II activities.
- Prepared quarterly progress report based on quarterly progress reports of the Pourashavas and provided updated information to the Director, UMSU, Project Director & Deputy Project Directors, UGIIP-II.
- Conducted several discussions with the Project Director and Deputy Project Director on data analysis of the quarter and findings on the performance of UGIAP Phase II activities based on the quarterly progress reports.

- Conduct interaction meeting with the GICD Team Leader and Deputy Team Leader on the progress and gaps and gapes of UGIAP activities of Phase –II and highlighted the issues to be address in the coming quarter for improvement of UGIAPA Phase II activities.
- Conducted interaction meeting with the BME Team Leader on designing the 3rd Phase UGIAP and preparation of aggregate CRC reports based on the CRC reports of Project Pourashavas.
- Conducted interaction meeting with the GPD team for designing of 3rd Phase UGIAP
- Prepared final performance evaluation report on UGIAP Phase – II and submitted to the Director UMSU and Project Director UGIIP-II .
- Prepared final report on selection of new entrants PSs and submitted to the Director UMSU and Project Director UGIIP-II.
- Reviewed the findings of new entry and discussed with the Director, UMSU for presentation in the MPRC meeting.
- Prepared working paper and PowerPoint presentation on the evaluation of performance of PSs on UGIAP Phase II and selection of new entrants PSs for MPRC meeting held on the 22 July, 2012.

3.5.6 Capacity Development and Training

With a view to improved 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, the PMO organized different training and orientation sessions. A two day orientation workshop has been organized during the quarter by the PMO on UGIIP-II and UGIAP Phase – III activities on 28–29 August, 2012, participated by Mayor, Executive/Assistant Engineer and secretary of 47 project Pourashavas. A total of 116 participants were participated in the session.

3.6 Procurement Status

As per Development Project Pro-forma (DPP) for UGIIP-II, a total of 16 (sixteen) different items of goods under title Indicative Break-up of Equipment were listed for procurement during the 1st and 2nd Phase of the project period. Goods of similar category were procured under different package numbers using the fund allocated from ADB and KfW. In order to fulfill the procurement procedure two methods were followed (i) National Competitive Bidding (NCB) and (ii) International Competitive Bidding (ICB) following ADB Guidelines. Out of the 16 different items 14 were fully completed and the remaining 2 items are still at different stages of procurement. The priority of procurement depended mainly on the nature of emergent use of the item keeping pace with progression of project activities. Details of procurement are attached in attached as **Annex – VI**.

3.6.1 Procurement under NCB Method

All together, 17 packages for procurement of different types of goods have been invited tender. All 17 packages have already been awarded and the delivery of the goods completed.

3.6.2 Procurement under ICB Method

Delivery of 4 (four) cross country 4 WD vehicle (Jeep), 35 Double Cabin Pick-up, 35 nos. Vibratory Road Roller, 125 nos. garbage dump trucks and 23 nos. static road roller under different packages have been completed. Another 3 packages for procurement of different items are in the process of different stages of delivery.