

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Third Urban Governance and Infrastructure
Improvement (Sector) Project (UGIIP-III)

Quarterly Progress Report (QPR - 3)
Period : January - March, 2015

Third Urban Governance & Infrastructure Improvement (Sector) Project (UGIIP-III)
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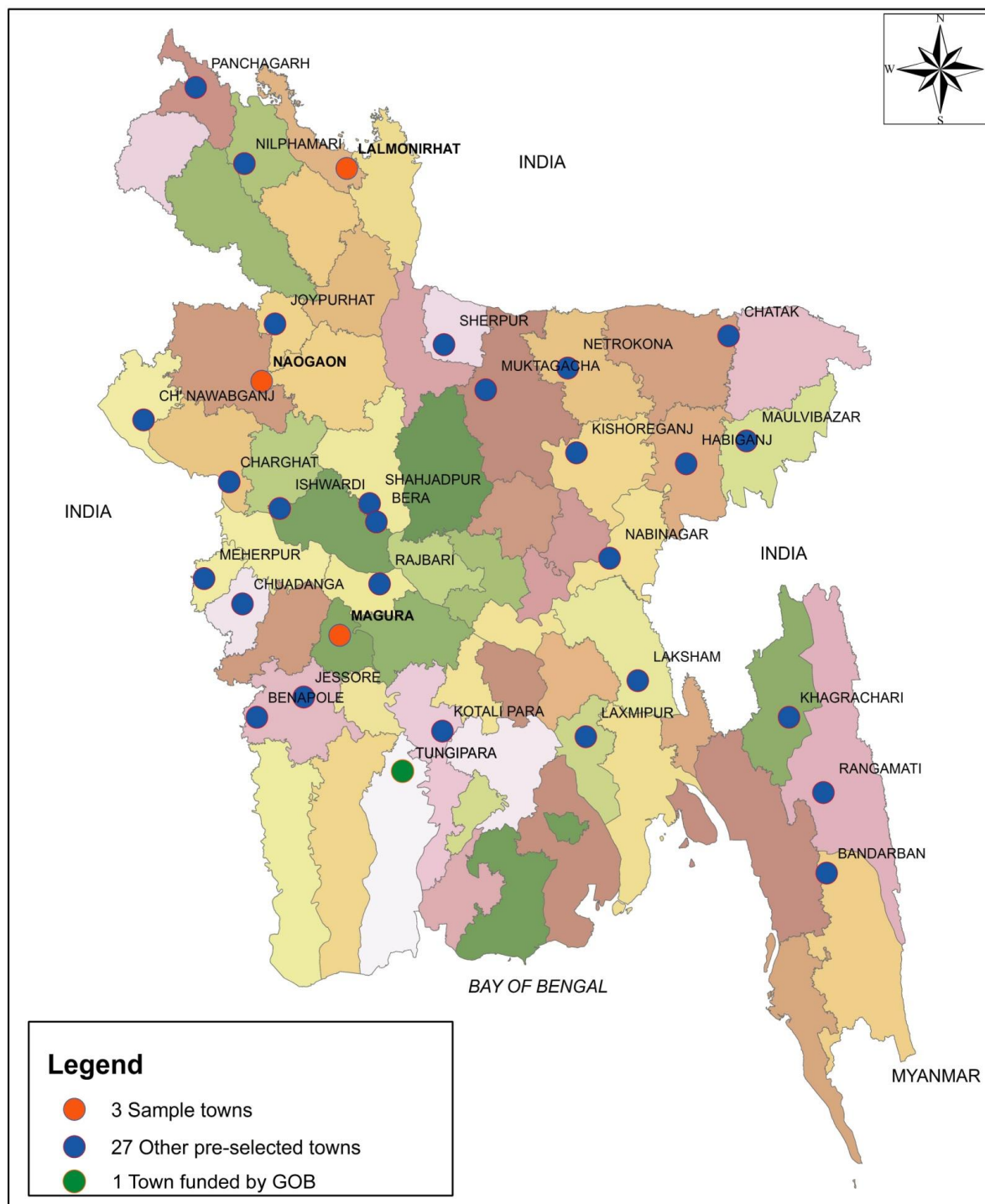
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Geographic Location of the UGIIP-III Target Pourashavas



Abbreviation

ADB	-	Asian Development Bank
OFID	-	OPEC Fund for International Development
DPHE	-	Department of Public Health Engineering
BDT	-	Bangladeshi Taka
CEO	-	Chief Executive Officer
Dev't	-	Development
DPHE	-	Department of Public Health Engineering
DPP	-	Development Project Proforma
EIRR	-	Internal Economic Rate of return
Eqp	-	Equipment
ERD	-	Economic Relations Division
ESSIS	-	Environmental Sanitation and Slum Improvement Section
FGD	-	Focus Group Discussion
FIRR	-	Financial Internal Rate of Return
GAP	-	Gender Action Plan
GI	-	Governance Improvement
GICD	-	Governance Improvement & Capacity Development
GoB	-	Government of Bangladesh
GRC	-	Grievance Redressal Center
ISC	-	Inter-ministerial Steering Committee
IIS	-	Infrastructure Improvement Section
MCC	-	Mass Communication Cell
Mgt	-	Management
MPRC	-	Municipal Performance Review Committee
NILG	-	National Institute of Local Government
O&M	-	Operation & Maintenance
PC	-	Planning Commission
PDP	-	Pourashava Development Plan
PME	-	Performance Monitoring & Evaluation
PMO	-	Project Management Office
PRAP	-	Poverty Reduction Action Plan
PR&SI	-	Poverty Reduction & Slum Improvement
PSU	-	Pourashava Support Unit
RM	-	Routine Maintenance
SC	-	Standing Committee
SIC	-	Slum Improvement Committee
SWM	-	Solid Waste Management
TLCC	-	Town Level Co-ordination Committee
ToT	-	Training of Trainers
WLCC	-	Ward Level Co-ordination Committee
MoWCA	-	Ministry of Women & Children Affairs
UGIS	-	Urban Governance & Improvement Section
UMSU	-	Urban Management Support Unit

SECTION – A

1.0 Introduction and Basic Information/Data

Third Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP III) is the latest in a long sequence of urban development projects of LGED, progressively financed, principally by Asian Development Bank (ADB). More often than not, other notable development partners to the Govt of Bangladesh as well joined hands with ADB in mobilizing required resources for implementing such projects. In this particular intervention, OFID co-financed the undertaking alongside ADB, and importantly, GoB.

The project (UGIIP III) has been conceived with some difference, vis a vis departure from the convention. Albeit UGIIP I, the precursor to UGIIP II, initiated the process of placing governance improvement and capacity development of the Pourashavas (PSs) somewhat ahead of infrastructure development, the latter ushered many a new area and concept into the project expanse, built on the experiences so accumulated, which have already displayed laudable improvements in the poura-façade under the project umbrella. Some basic data/info about the project are furnished below.

1. Country	: Bangladesh
2. Loan No.	: 3142-BAN (SF)
3. Project Title	: Third Urban Governance & Infrastructure Improvement (Sector) Project (UGIIP-III) .
4. Recipient	: Government of the People's Republic of Bangladesh .
5. Executing Agency	: Local Government Engineering Department (LGED) Department of Public Health Engineering (DPHE)
6. Implementing Agency	: LGED, DPHE and PSs.
7. Amount of Loan	: US \$ 200 million (125 million approved + 75 million in COBP for 2017) for ADB and US 40.00 million for OFID
8. Total Estimated Project Cost	: Tk. 260048.426 Lakh (DPP)
9. Total Revised Project Cost	: Not Applicable
10. Date of Loan Approval	: 17.07. 2014 (ADB)
11. Project's Co-financiers	: 40.00 million (OFID)
12. Date of Loan Approval	: 10.June 2014 (OFID)
13. Date of Signing Loan Agreement	: 27 August, 2014 (ADB)
14. Date of Loan Effectiveness	: 04 November, 2014
15. Date of Loan Closing	: 31 December, 2020
16. Elapsed Loan Period	: 7.0% (approx.)
17. Date of Last Review Mission	: 09-16 March, 2015

SECTION – B

2.0 Utilization of Funds

In Phase I 18 subprojects of 10 priority Pourashavas with estimated cost 1481.24 million have been given approval for tendering. All 18 subprojects have tendered and received. Tender evaluation of 5 subprojects out of 18 have been completed and sent for ADB's approval. Remaining 13 packages are under evaluation process. During this quarter, no contract award has been achieved against a target of amount US 2.5 million. Counterpart funds commitment to date by Government of Bangladesh (GoB) are made available during this quarter.

On the other hand, there was no target for disbursement from the ADB loan for this quarter. Re-estimate and reallocation of ADB loan within the categories does not arise as the project is early stage of its implementation.

SECTION – C

3.0 Project Purpose

The Third Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-III) started from July 2014, to promote HRD and good urban governance and as well, to improve gender and poverty friendly infrastructure in 31 project PSs with the financial assistance from, alongside GoB, ADB and OFID. It adopts a performance based sector approach involving demand driven allocation of loan proceeds based on clearly defined performance criteria and the commitment of the PSs to undertake governance reform.

3.1 Project Objectives & Scope

Primary objective of UGIIP III 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 all project-PSs. To achieve these, UGIIP III will assist these PSs to enhance their capacity to implement, operate, manage and maintain basic urban services; to increase accountability of PSs; and to improve gender and poverty friendly physical infrastructure and urban services.

3.2 Project Components

UGIIP III 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: Municipal infrastructures roads, Drains, Sludge management facilities etc. will be improved & rehabilitated as described below:

(1) Improved, rehabilitated and reconstructed of 910 kilometers of Roads, 550 m. Bridge and culvert and 10 no boat landing under construction urban transport facilities. (2) 515 kilometers of drains built or improved under drains facilities, (3) 200 km of pipes installed or upgraded for water supply with 40,000 individual meters installation, installation 50 no production well , 6 no treatment plant constructed, 20 no. overhead Tank new and repair, installation 1000 no. hand tubewell and 1000 no. public stand Pipe under water supply's component. (4) 150 no public toilet, 20 no. development of sludge disposal facilities under sanitation facilities. (5) Construction 120 no. transfer station, 31 no development dumping ground, under solid waste

management component. (6) 25 no. bus terminal construction or rehabilitation, 15 no truck terminal, 10 no parking area, 25 no. kitchen Market, 25 no. slaughter house, 2 no municipal parks, 10000 no. Street Light, 10 no urban landscaping, 13 no. community centre/ auditorium and 8 no. municipal market constructed on rehabilitated under municipal facilities (7) 155 no. slum improvement sub-projects are completed in all project towns that have slums, sludge management facilities built in 10 towns. Final disposal sites built/improved in 15 towns (total capacity 150 tons/day). Climate issues considered in designing 80% of sub-projects.

Component B: Capacity of Pourashavas in urban service delivery, planning and financial management will be improved through achieving the target as furnished below:

TLCCs (target: at least 33% women) and WLCCs (target: 40% women) formed in 31 towns by 2015 (baseline: 5 towns). Urban master plans developed through gender-inclusive processes are gazetted in 31 towns by 2017 (baseline: zero). WCA and PRSI standing committees operational in 31 towns by 2016 (Target: 40% women representation; baseline: zero). PDP, GAP and PRAP approved in 31 towns by 2017(baseline: 5 towns). Annual O&M plan approved and own budget allocated for implementation in 30 towns by 2017(baseline: 5 towns). Computerized tax records and billing system made functional in 30 towns by 2018 (baseline: 18 towns).

Component-C: Project management and administration system in place through establishing Project Management Office (PMO) in LGED HQ, Project Implementation Unit (PIU) in each Pourashava level with adequately staffed. Required consulting services both from firms and individuals have been recruited and they are now on board:

3.3 Implementation Period & Arrangements

Time-expanse of UGIIP III stretches from 1st July' 2014 to June' 2020. The Project stands to be implemented in 3 phases as given below:

Implementation Phases and Period

Phase	Implementation Period	Period	Remarks
1 st	July, 2014 to June, 2016	2 years	Implementation in progress
2 nd	July.2016 to December.2018	2 years 6 Months	Not due
3 rd	January.2019 to June.2020	1 years 6 months	Not due

Implementation arrangements for the project mainly hinges on the set up Project Steering Committee (PSC) at central level (PMO) and PS level (PIU).

Central level: Reiterating EA for the project is LGED and DPHE, PSC is responsible for reviewing the progress and guiding implementation of the Project. It is chaired by the Secy, LGD & includes representatives from LGD, LGED, PC, ERD, Finance Div, IMED, NILG, DPHE, MoWCA, MoPW and 3 LGD-nominated project Mayors. It may convene meetings whenever necessary, but at least once every 3 months.

PMO has been established for the overall project management. It is headed by PD (a senior engr specialized in urban dev't, supported by officials including three Project Managers, two from LGED and one from DPHE. The PMO manages the overall project implementation including: ✧ Planning overall project implementation by consolidating plans at the PS level; ✧ assisting PSs 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 UMSU & RUMSUs have been providing standard training modules to PSs in close coordination with PMO.

Eyeing to ensure a transparent and fair performance-assessment & eventual performance-based fund allocation, MPRC remains responsible for assessing the participating PSs. UMSU has been functioning as secretariat of MPRC in such assessment. SE (Urban Mgt), LGED acts as UMSU's Director. Addl CE (Urban Mgt) coordinates the project activities under overall guidance of the Chief Engr, LGED.

PS Level : PIU has been established in each project-PS to implement the UGIAP and physical works. It is headed by the PS Mayor, assisted by the CEO and other officials. Each PIU includes three sections: (i) the infrastructure improvement section (IIS) headed by the EE (for A class PSs) /AE (for B class PSs); (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 stands for (i) implementing GI activities specified in UGIAP, including evolving PDP; (ii) implementing physical works, preparing bid docs, including procurement & supervision of contractors with support from the PMO and consultants, ensuring safeguard compliance and (iii) preparing annual work plan & progress reports. Each PIU has been staffed with AOs to manage financial transaction including recording, preparation of liquidation statements, etc. In addition, PMO deployed some engg staffs to PIU subject to availability & capacity of PS in the planning & implementation of the subprojects.

As the project is at first year of its implementation question of assessment does not arise whether major changes have occurred or will need to be made for remedial measures.

SECTION – D

4.0 Implementation Progress

A brief summary assessment of progress or achievements in implementation since the least QPR as is describe in that next para as follows:

4.1 Project Management Office (PMO)

Overall Management of planning and implementation of UGIIP III has perennially been an arduous and challenging assignment for the PMO. Efforts of balancing the mix of hardware (infrastructure) and software (GI and related improvement) has been a task of a tall order. Till date, the PMO has made efforts of promptly addressing the needs of diverse nature and magnitude and as well, relentlessly cajoled the project-PSs to meet the UGIAP-stipulations, raise their efficiency on all fronts of PS-service provision, and as well, elevate their own administrative and financial capacity.

4.2 Project Implementation Unit (PIU)

Consequent upon getting required instruction and advice on the doubles and their time-schedule, the PIUs got down to the task of preparing their respective subprojects. By and large, by 3 March '2014, all 21 PSs have prepared draft sub-project for phase-I.

As has been reported, the PIUs are implementing time bound activities of UGIAP activities with assistance of PMO, TLCC, WLCC and GC meeting are convened as scheduled in all 31 PSs. GRC are, reportedly, conducting their regular meetings consistent with the stipulations of UGIAP.

4.3 Consulting Services

Under UGIIP-III following 5 packages of consultants have been procured. They are as follows:

MDS Consultants (pckg 1) : MDS pckg (headed by an Intl TL) has 2112 PM (36 Int'l & 2076 Nat'l). It supports the PIU in engg design, bid management (mgt) and supervision of physical works. It also remains responsible for safeguard measures for environmental mgt, rehab and resettlement. Contract agreement has been signed on 12 March, 2015 between JV partners and LGED. Notice to proceed has been issued given one month time for mobilization.

GICD Consultants (Pckg 2) : GICD consultants pckg involves 888 national PM. They support PIUs in Implementing UGIAP through capacity dev't, community mobilization (com mob) and other facilitation activities. Headed by a TL, each of the four regions have four RCs in charge of urban planning, municipal finance, community mobilization and IT specialist. The pckg would include engagement and management of the UGIAP promoters as Local Capacity Development Associates (LCDA) at a rate of two for each PS (for municipal finance & community mobilization) except two B-Categories Pourashavas where LCDA in planning discipline also proposed. Contract agreement has been signed on 12 March, 2015 between JV partners and LGED. Notice to proceed has been issued given one month time for mobilization.

Benefit Monitoring and Evaluation (BME) [pckg 3] : Four 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.

Performance Monitoring and Evaluation (PME) [pckg 4] : A senior national consultant has been engaged to support in monitoring, evaluating and rating performance of PS according to UGIAP. He also supports the LGD, LGED and MPRC in strengthening performance-monitoring. Budgetary process of block grant to PS, and other policy issues in urban sector. In essence, the consultant will examines and report to MPRC through UMSU ensuring governance reforms in PSSs. Others individual consultants, engaged to exclusively support the PMO, under this pckg are: a] Public Campaign/ Media Consultant: Eyed to support the PMO in planning and implementing public campaigns on local governance reforms; b] Performance Monitoring and Evaluation Specialist: in assisting Team Leader for performance rating; c] Data Analyst: in preparing and assembling data received from participating Pourashavas in connection with UGIAP implementation; d] Training Specialist: in providing required training to relevant Pourashava officials, e] Financial Management Specialist: in assisting Team Leader to compile municipal finance related data generates from UGIAP implementation. As well, they support the PMO and PIUs in establishing internal control and checking.

Gender Development and Poverty Alleviation (GDPA) [pckg 5]: 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 with respect to women and urban poor for the project, including (i) including designing and implementing activities relating to gender equity and integration of the urban poor (ii) identifying appropriate indicators and target, (iii) establishing a system to collect and compile data, (iv) ensuring quality of data collection and compilation, (v) assessing and analyzing the collected data, (vi) producing reports.

4.4 UGIAP Implementation

In the January-March, 2015 (3rd Quarter), UGIAP (intermediate Stage) implementation started getting geared up in all 31 PSSs. Review and discussion meetings on UGIAP intermediate stage doables and pertinent Implementation were organized between and among the PS-officials accelerate the process. List of UGIAP intermediate stage doables/activities is attached in Annex-I. A brief overview of the progress of UGIAP intermediate stage implementation is narrated in section 4.5 below.

4.5 UGIAP (intermediate Stage)

The “Third Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-III)” implemented adopting a time-bound and performance-based approach. Governance activities attempts were to improve governance fronts and as well develop capacity in Pourashavas (PSs) through preparing Pourashava Development Plan (PDP) in Phase-I and carrying out a series of reform activities in seven key areas redefined in the Urban Governance Improvement Action Program (UGIAP).The areas are:

- (1) Citizen Awareness and Participation;
- (2) Urban Planning;
- (3) Equity and Inclusiveness of Women and Urban Poor;
- (4) Enhancement of Local Resource Mobilization;
- (5) Financial Accountability and Sustainability;
- (6) Administrative Transparency and
- (7) Keeping Essential Pourashava Services Functional.

In the 3rd Quarter of 2014-15 FY, the PS-officials desperately tried to comply with the requirements of UGIAP criteria in collaboration with the PMO. However, in spite of having pressure of the time-bound and performance-based approach, an impressive progress has been shown by the Pourashavas during the 3rd Quarter of 2014-15 FY. The report has been prepared considering the decisive progress of governance improvement and capacity development for 31 Pourashavas as narrated in the ToR.

Quarterly TLCC Meeting:

All of 31 Pourashavas have conducted TLCC & WLCC quarterly meeting held on regularly. Minutes of the meeting have been prepared and sent to PMO through quarterly report. A total of 1009 members of TLCC participated in the quarterly meeting in where, male and female members attended were 601 (59.56%) and 408 (40.44%) . WLCC quarterly meeting held on regularly. Minutes of the meeting have been prepared and sent to PMO through quarterly report.

Citizen Charter:

In this quarter 30 PSs out of 31 PSs displayed them in suitable places of the PS premises. Besides, display of in the 31 PSs of earlier phases are being continued.

Grievance Redress Cell (GRC):

25 Pourashavas out of 31 PSs Grievance Redress Cell (GRC) established with clear TOR and opened grievance box in Pourashavas. During the 3rd quarter of 2014-15 FY, a total of 415 grievances have been submitted (registered) . Resolved by GRC while 356 grievances, 59 grievances remained unresolved due to various reasons that finally passed on to the court for legal judgments.

Women & Children Standing Committee Meeting:

All project municipalities have formed Women and Children Affairs’ Standing Committee (SC on WCA) according to the project’s prescribed manner. Regular monthly meeting of ‘SC on WCA’ is taking place in almost all project-PSs. Each project PSs sketched a Gender Action Plan (GAP) outline in light of project’s GAP, as an entry criterion. The outline was enshrined in Pourashava Development Plan (PDP) with the endorsement of Town Level Coordination Committee (TLCC).

Later on, all sample and priority (10) project PSs formulated a detailed tailored- GAP with the assistance of PMO and PPTA team, UGIIP-III. Of them, detailed tailored-GAP of 7 PSs has been endorsed by the respective TLCC.

It is also significant that, 17 project PSs have allocated fund from their revenue fund for GAP implementation.

Poverty Reduction Action Plan - Steering Committee (PRAP-SC) Meeting:

Each project municipalities have formed Poverty Reduction and Slum Improvement Standing Committee (SC on PR&SI) to meet the entry criteria in a project's prescribed manner. 'SC on PR&SI' monthly meeting is taking place regularly in most of the project PSs. Each project PSs designed a tailored- Poverty Reduction Action Plan (PRAP) outline as an entry criterion, which has been included in PDP with the endorsement of TLCC. Afterward, PMO and PPTA Team, UGIIP-III assisted all sample and priority (10) project PSs in formulation of its own demand driven detailed tailored- PRAP. Out of them, the detailed tailored-PRAP of 7 PSs has been endorsed by the respective TLCC. It is also to be mentioned that, 16 project PSs have allocated fund for the implementation of PRAP from their revenue generation.

Budget for Operation and Maintenance (O&M):

All Project-Pourashavas have allocated fund for O&M as per UGIAP implementation criteria. In the Poura-budget of 2014-15 FY, 31 Pourashavas have allocated Tk. 175,392,000 (175.39 million).

Regular Interim Tax Assessment:

A total of 21 Pourashavas have been maintaining regular Interim-assessments. Remaining 9 PSs have been carrying out reassessment.

Re-assessments Status:

Reassessments have completely been done in **21** Pourashavas, Remaining **9 Pourashavas** namely Shahajadpur, Nabinagar, Panchagarh, Meherpur, Kishorgonj, Chapai Nawabgonj, Charghat, Naogaon and Moulavibazar are engaged in reassessment which has been scheduled to be ended on 30th June 2015.

Status on Holding Tax Collection:

At the end of the March FY 2014-2015, holding tax-collection-efficiencies have found as 53.05%. There are 5 Pourashavas (Shahajadpur, Kotalipara, Tungipara, Jessore and Muktagacha) who attained below 40%. The lowest efficiency found in Tungipara, which is only 6.46% and the highest efficiency found in Benapole (87%).

Non-Tax Revenue Collection:

Up to March FY 2014-2015, the demand was Tk. 1,030,440,108(1030.44 million) and the collection against the demand was Tk. 615,178,459 (615.17 million). However, the rate of collection efficiency of 31 PSs is found 58.15%. The lowest efficiency found in Kishorgonj Pourashava (26.66%) and highest efficiency found in Laksam Pourashava 86.23%.

Loan and Repayment:

The loan repayment status depicted that there were 7 Pourshavas out of 31 have availed loan facilities. At the end of the 3rd Quarter, it was found that 9 Pourashavs have adjusted loan making full payment of loan-amount. There were 15 Pourashavas (Bera, Ishawrdi,

Shahajadpur, Nabinagar, Rangamati, Chuadanga, Jessore, Magura, Kishorgonj, Meherpur, Sherpur, Chapai Nawabgonj, Charghat, Naogaon and Lalmonirhat) were found irregular.

Electricity Bills:

As per quarterly report of January-March 2014-15 FY, 9 Pourashavas have paid fully; 22 Pourashavas were found irregular. Total Unpaid Amount is TK 324,382,079 (324.38 million) dues.

Telephone Bills:

As per payment status up to December 2014, 22 Pourashavas paid 100% telephone bills. Remaining 9 Pourashava have found irregular. Total Unpaid Amount is TK 1,249,272 (1.24 million) dues.

Water Tariff:

Up to March of FY 2014-15 demand was Tk. 189,381,569 (189.38 million) and the collection against the demand was Tk. 122,463,528 (122.46 million). However, the rate of collection efficiency of 24 PSs is found 64.66%. However, 4 Pourashavas' (Shahajadpur, Nabinagar, Benapole and Chatak) do not have piped-water supply facilities and 3 Pourashavas (Bandarban, Rangamati and Khagrachari) have facilities provided by the DPHE.

E-Governances:

The Website kept functional in all of 30 Pourashavas. Charghat PS developing.

Procurement Status:

As per Development Project Pro-forma (DPP) for UGIIP-III, a total of 25 (Twenty Five) different items of goods under title Indicative break-up of vehicle and equipment were listed for procurement. Goods of different category will be procured under different package numbers using the fund allocated from ADB Contact Agreement for 2 packages one for 04 (Four) nos cross country vehicle (Contact Amount JPY 14,842,448.00 equivalent BDT 96,68,370.00 and another for 34 (thirty four) nos. double cabin pickup (Contact Amount USD 968,513.00, equivalent BDT 75,350,311.40) have been signed. Bid documents of other few packages are being prepared.