

2ND. REVISED DEVELOPMENT PROJECT PROFORMA/PROPOSAL (RDPP)

1. Project Title : Community Based Resource Management Project -2nd Revision
2. a) Sponsoring Ministry/Division : Ministry of LGRD & Co-operatives
b) Executing Agency : Local Government Division.
: Local Government Engineering Department.
3. Objective of the Project (specify) : The main objectives of the project are to:
- (a) Increase the assets and income of 100,000 households by developing self-managing grassroots organisations and by improving their access to primary resources, employment, self-employment, training, technology transfer and credit;
 - (b) Support the development of a national institutes to replicate the approaches in other areas of Bangladesh;
 - (c) Improve governance at the local level would be a related project objective. In this context, the development of grassroots institutions with trained leadership could provide the platform for some of them to seek representation in Union Parishads;
 - (d) Assist the poor. While the project will assist all members of the communities, it will focus on the target group defined as landless, small and marginal farmers with holding land bellow 2.5 acres. Within this broad definition, the project makes special effort to reach women, especially destitute who will constitute 50% of the beneficiaries.
4. Location of the project :

Division	District	Upazila
1	2	3
Sylhet	Sunamganj	i) Sunamganj Sadar ii) Dakhin Sunamganj iii) Bishwambarpur iv) Tahirpur v) Jamalganj vi) Dera vii) Sulla viii) Dowarabazar ix) Dharmapasha x) Chhatak xi) Jagannathpur

Map attached in **Appendix-I.**

5. Attach 1st. Revised DPP : Attached in **Appendix-II.**

(**Note :** This would cater to the need of all previously documented information)

6. Project Implementation Period : **a) Original :**
1st. Phase : 2002-2003 to 2006-2007
2nd. Phase : 2007-2008 to 2009-2010
3rd. Phase : 2010-2011 to 2012-2013
b) 1st Revised :
1st. Phase : 2002-2003 to 2006-2007
2nd. Phase : 2007-2008 to 2010-2011
3rd. Phase : 2011-2012 to 2013-2014
b) 2nd Revised : (similar as of 1st revision)
1st. Phase : 2002-2003 to 2006-2007
2nd. Phase : 2007-2008 to 2010-2011
3rd. Phase : 2011-2012 to 2013-2014

7(a) Revised cost of the project (In Lakh Taka) :
i) Total : 21820.98
ii) GOB : 2524.09
iii) P.A. : 18867.28
i) Beneficiary contribution : 429.61

7(b). Revised cost of the project

(In lac Tk.)

Financial Year	Project version	Approved/Estimated Cost						
		GOB (FE)	PA			Benificiaries	Total	
			RPA					DPA
			Through GOB	Special A/C (IFAD)	* Others (FE)			
FY: 2002-03	2nd Revised	15.06	0.00	40.88	0.00	0.00	0.00	55.94
	1st Revised	15.06	0.00	40.86	0.00	0.00	0.00	55.92
	Original	83.06		260.94	40.25		5.32	389.58
FY: 2003-04	2nd Revised	34.52	0.00	274.48	0.00	0.00	0.00	309.00
	1st Revised	34.52	0.00	274.48	0.00	0.00	0.00	309.00
	Original	109.49		343.96	53.06		7.02	513.53
FY: 2004-05	2nd Revised	15.07	0.00	566.91	2.40	0.00	15.51	599.89
	1st Revised	15.07	0.00	566.91	2.40	0.00	15.51	599.89
	Original	165.73		520.64	80.31		10.62	777.31
FY: 2005-06	2nd Revised	508.16	0.00	746.97	0.00	0.00	37.48	1292.61
	1st Revised	508.16	0.00	746.97	0.00	0.00	37.48	1292.61
	Original	216.74		680.86	105.03		13.89	1016.52
FY: 2006-07	2nd Revised	300.76	0.00	1462.67	0.00	0.00	55.44	1818.88

Financial Year	Project version	Approved/Estimated Cost						
		GOB (FE)	PA			Beneficiaries	Total	
			RPA					DPA
			Through GOB	Special A/C (IFAD)	* Others (FE)			
	1st Revised	300.76	0.00	1462.67	0.00	0.00	55.44	1818.88
	Original	368.87		1158.79	178.75		23.64	1730.06
First Phase Total	2nd Revised	873.58	0.00	3091.92	2.40	0.00	108.43	4076.32
	1st Revised	873.57	0.00	3091.90	2.40	0.00	108.43	4076.30
	Original	943.89	0.00	2965.20	457.41	0.00	60.50	4427.00
FY: 2007-08	2nd Revised	150.00	0.00	2118.08	0.00	0.00	36.40	2304.48
	1st Revised	302.34	0.00	2549.34	0.00	0.00	66.06	2917.74
	Original	242.73		1999.86	43.28		17.75	2303.62
FY: 2008-09	2nd Revised	524.55	0.00	2045.18	0.00	0.00	1.60	2571.33
	1st Revised	555.76	0.00	2877.06	0.00	0.00	84.74	3517.55
	Original	222.08		1829.70	39.60		16.24	2107.61
FY: 2009-10	2nd Revised	50.00	0.00	3116.82	0.00	0.00	43.18	3210.00
	1st Revised	468.07	0.00	2710.69	0.00	0.00	80.17	3258.94
	Original	204.25		1682.82	36.42		14.94	1938.43
FY: 2010-11	2nd Revised	275.00	0.00	2534.00	0.00	0.00	240.00	3049.00
	1st Revised	275.97	0.00	2551.00	0.00	0.00	60.56	2887.53
	Original	383.45		3123.92	45.68		26.29	3579.35
Second Phase Total	2nd Revised	999.55	0.00	9814.08	0.00	0.00	321.18	11134.81
	1st Revised	1602.14	0.00	10688.09	0.00	0.00	291.53	12581.76
	Original	669.05	0.00	5512.38	119.30	0.00	48.93	6349.66
FY: 2011-12	2nd Revised	300.40	0.00	2954.77	0.00	0.00	0.00	3255.17
	1st Revised	30.16	0.00	1971.56	0.00	0.00	34.41	2036.13
	Original	360.32		2935.44	42.93		24.71	3363.40
FY: 2012-13	2nd Revised	312.54	0.00	2189.24	0.00	0.00	0.00	2501.78
	1st Revised	12.67	0.00	893.26	0.00	0.00	1.62	907.55
	Original	167.42		1363.94	19.95		11.48	1562.79
FY: 2013-14	2nd Revised	38.02	0.00	814.88	0.00	0.00	0.00	852.90
	1st Revised	5.54	0.00	437.78	0.00	0.00	0.97	444.91
	Original	0.00		0.00	0.00		0.00	0.00
Third Phase Total	2nd Revised	650.96	0.00	5958.89	0.00	0.00	0.00	6609.85
	1st Revised	48.38	0.00	3302.59	0.00	0.00	37.00	3388.59
	Original	911.19	0.00	7423.30	108.56	0.00	62.48	8505.54
Grand Total	2nd Revised	2524.09	0.00	18864.88	2.40	0.00	429.61	21820.98
	1st Revised	2524.09	0.00	17082.58	2.40	0.00	436.96	20046.65

Financial Year	Project version	Approved/Estimated Cost						
		GOB (FE)	PA			Benificiaries	Total	
			RPA					DPA
			Through GOB	Special A/C (IFAD)	* Others (FE)			
	Original	2524.14	0.00	15900.88	685.27	0.00	171.91	19282.20

7 (c) Mode of Financing with Source:

Mode of Financing	GOB (FE)	PA (RPA)	PA Source
1	2	3	4
Loan/Credit		18867.28	IFAD
Grant			
Equity			
Others (Specify)			
Total		18867.28	

- 8. Economic and Financial viability analysis (NPV, BCR, EIRR, FIRR) :** Not Applicable

9. Describe briefly the main features of revision with justification:

A) Main features for revision of 1st Development Project Profroma (DPP) in broad:

As per Project Loan Agreement (Loan No: 567 BD) signed between IFAD and Government of Bangladesh, IFAD a phase review mission was carried out during 11 July to 1 August 2010 to evaluate the 2nd phase activities of the project. The Mission came out with a few specific recommendations and those were endorsed in the wrap up meeting held on 1 August 2010 in the Local Government Division being chaired by the Secretary. Thereby, now, to address those recommendations and to meet cost escalation of a few items 1st revised DPP is subject to further revision. It is to mention that after fulfilling the need of some areas such as consultancies, salaries and allowances, trainings and micro-credit, the project has some scope to utilize the rest to other areas of development and following the recommendation of IFAD Mission, project intends to use that fund in infrastructural development activities, which has a huge demand in project areas too. In view of that, Project Steering Committee (PSC) in its 11th meeting held on 06 March 2011 advised project authority to submit a proposal for revision of the DPP. The main reasons for revision are as follows:

- Adjustment of unspent amount of micro-credit component with infrastructure development component;
- Adjustment of actual expenditure with the 2nd phase of the project and
- Cost escalation related adjustment and accommodation of the recommendations of IFAD Mid-term review mission.

i) Adjustment of unspent amount of micro-credit component with infrastructure development component

To implement project's micro-credit component a Subsidiary Loan Agreement (SLA) was signed between the Finance Ministry and Bangladesh Krishi Bank (BKB), and a total of Tk. 2709.77 lakh was allocated in 1st revised DPP for that. It was decided that this amount would be used as a revolving loan fund for micro-credit operation for a total of 52000 project's beneficiaries. Although the micro-credit lending was being tried utmost by BKB, due to some prevailing limitations including shortage of manpower, over-work, BKB local branches were persistently failing to provide desired services to the targeted clients. To improve the situations many initiatives from different levels including BKB, LGED, IFAD were taken, but eventually produced no results as such, and thereby the performance of microfinance particularly in regular lending was not functioning properly. Apart from that, with increased operation of micro finance institutions in project areas following the improvement of road communication by the project, IFAD found it irrational to invest further money in MF through BKB rather to use that in infrastructural development for having more diverse impact on poverty reduction. Upon that understanding, IFAD put a strong recommendation to stop further disbursement of credit fund to BKB and use that for infrastructural development. Therefore, an unspent amount of Tk. 1800.00 lakh from micro-credit has been proposed to transfer to infrastructure component.

ii) Adjustment of actual expenditure in the 2nd phase of the project appraisal

In the 1st revised DPP, actual budget for 1st phase (project year 1 – 5) being an amount of Tk. 4076.32 lac and an estimated budget for second phase (project year 6-9) being an amount of Tk. 12581.76 were quoted. In 2nd revised DPP the estimated budget of second phase being adjusted to actual has been shown at TK. 11134.81 lakh.

iii) Cost escalation related adjustment and accommodation of the recommendations of IFAD Mid-term review mission.

The cost calculation in the 1st revised DPP was done according to the recommendations of Mid Term Review (MTR) Mission undertaken during 15 December 2006 to 5 February 2007. As the market price of all commodities, works, goods and services have increased dramatically and impacted the unit rate of all items of different components along with salary of staff following the last increment declared by the government, the project cost needs to be adjusted accordingly. There is scope to meet that rise with available money evolved through devaluation of BTB against SDR/USD and by utilizing the unallocated fund set aside in 1st RDPP for meeting cost escalation.

The project will end its 2nd phase in June 2012. By this time a Second Phase Review (SPR) mission of IFAD has reviewed the project activities. The SPR mission has reviewed the budget for Phase 3 of the project, including an estimated total cost for phase 2. The revised budget has duly addressed the Mission's recommendations, and thus has allotted a significant additional fund for investing in necessary areas such as village roads, which was the most successful activity in Phases 1 & 2.

10. Economic code wise comparison of cost summary between the original DPP and RDPP : Attached (page no: 07-10)
11. Economic code and sub-code wise description, cumulative progress and year wise breakdown of revised quantity and cost to be incurred : Attached (page no: 11-17)
12. Log frame : Attached (page no: 18)
13. Attach Procurement Plan : Attached (page no: 19-21)
14. Give year wise financial and physical target plan : Attached (page no: 22-37)

**Signature of the Head of the Executing
Agency with seal and date.**

**Recommendation and signature of the
Secretary
of the sponsoring Ministry/Division with seal
and date**