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Abbreviation

ADB	- Asian Development Bank
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
FGD	- Focus Group Discussion
FIRR	- Financial Internal Rate of Return
GAP	- Gender Action Plan
GC	- Gender Committee
GI	- Governance Improvement
GIZ	- Gesellschaft fur Internationale Zusammenarbeit
GICD	- Governance Improvement & Capacity Development
GoB	- Government of Bangladesh
GRC	- Grievance Redressal Center
ISC	- Inter-ministerial Steering Committee
KfW	- Kreditanstalt fur Wiederaufbau
LCDE	- Local Capacity Development Expert
MCC	- Mass Communication Cell
Mgt	- Management
MPRC	- Municipal Performance Review Committee
NILG	- National Institute of Local Government
PC	- Planning Commission
PDP	- Pourashava Development Plan
PME	- Performance Monitoring & Evaluation
PMO	- Project Management Office
PRAP	- Poverty Reduction Action Plan
PSU	- Pourashava Support Unit
RM	- Routine Maintenance
RTCDE	- Regional Training & Capacity Development Expert
SIC	- Slum Improvement Committee
SWM	- Solid Waste Management
TLCC	- Town Level Coordination Committee
ToT	- Training of Trainers
WLCC	- Ward Level Coordination Committee
UMSU	- Urban Management Support Unit

Summary Progress & Achievement in April-June 2013 Quarter

Keeping in view the headway made to date on different facets of UGIIIP II, that has been narrated in the later sections, some notable features/attainment are shown below:

- **MDS:** Overall physical progress of Ph-II is around **91%**. Individual progress are: ❖ **Urban Transport : 99%** ❖ **Drainage : 95%** ❖ **Water Supply: 91%** ❖ **Sanitation: 88%** ❖ **Municipal Facilities: 90%** ❖ **SWM 88%**. Financial achievement is: BDT 2,897.82 mill settled against aggt contract of BDT 3,708.68 Mill (72.99%). Under Ph 3 (47 PSs), 84 subproject proposals submitted to PMO till todate, of which 65 in this qtr . Up to end-Mar'13, **24** pckgs evaluated and 2 pckgs are under processes (no contract awarded for Ph 3 so far).
- On **SW disposal-related LA issue**, eyeing them for SW disposal, **total land** proposed so far is **30.545 acres** & relevant **demand is BDT 368.42 mill**. **Land acquired** stands at **11.37 acres** for 3 out of 14 PSs seeking LA (Faridpur, Bhanga, Satkhira), with **LA value of BDT 110 mill**. Regarding **supervision** & especially **QC**, frequent field trips are being taken by MDS team. In all, 14 men making 20 teams visited 33 PSs in the qtr IV (84 person-days). MEs/Field Engrs remain present on work sites. On QC facets, trg of FSEs & MEs imparted, TL & QCEs provided hands on trg on QC & demonstrated tests like DPC, FM & compaction tests.
- **GAP:** GAP execution is taking place in all 47 project PSs. Notable initiatives are: PMO imparted training to GCs of 16 new PSs; Fund from PSs' own revenue allotted & 14 are already using them for GAP-execution; as eyed, to increase women mobility, most PSs arranged **separate women-toilets** in bus station (27 out of 30 PSs) & 15 PSs have set up **Women Corner** (at PS bldg) besides assigning **a woman staff** to each. Up to Mar'13, 25,203 women stood supported through GC & GAP fund from PSs' revenue. 9,362 women have been provided with IGA trg, while 11,047 have got IGA trg & as well, assistance (not all got IGA trg). In all, 5233 who received trg & assistance have already started earning.
- **PRAP:** With the project initiatives, all project PSs including the new ones have their PRAP in place & allotted fund from revenue. Alongside the old PSs, 13 new PSs as well, already started using the money. Under PRAP of 25 project PSs (having slums) **194 SICs** have been formed with 79% women participation & **1,533 Primary Grps** (PGs) formed with 100% women members. SICs evolved **CAPs**. **Community contract of 196.01 mill BDT for 153 slums** of 21 PSs approved & 105.67 mill BDT already used up to Mar'13.
- **BME:** In the reporting qtr, several vital **BME**-relevant activities were undertaken, that includes: [1] Data analyses and report preparation by the outsourced entity on the BMS of 16 new PSs – The stated report has already been submitted and stands handy to be transmitted to ADB. [2] BME detailed report on 7 PSs has been prepared (draft final). some salient positive findings, reflecting on project benefits, have become evident. They are: (a) **Rise in Land value: Residential land value increased by 78% while commercial land value has gone up by 69%.** (b) **Time saved in travel between respondents' home and down-town was found to be 9.3 mnts by rickshaw, 6.1 mnts by motorized vehicle & 10.8 mnts on foot.** In both cases, the benefits so apparent may fairly be attributed to the project. Other positive change include (i) employment generation of 202,263 (33%) female in road construction (ii) 48.8% increase in nr. of trade license (iii) laudable positive changes in felt benefit from drainage improvement.
- **GICD:** Salient achievements under GICD included: ❖ **CC** prepared in 47 PSs and; ❖ **CRC** survey is in progress in all 47 PSs (3rd survey in old PSs & 1st survey in new PSs); ❖ The **GRCs** in old PSs received 1,327 grievances of which 804 (60%) stand resolved while 994 complaints received in new PSs of which 745 (75%) were settled on time.
 - ❖ TLCC meeting convened regularly in all PSs - participated by 1196 (participation 77.16%, incl & 35% female) in 31 old PSs and 649 (avg participation 81.12% incl 35% female) in 16 new PSs.
 - ❖ **Computerized acctg & tax software** functioning in 47 PSs - **computerized tax & billing system** is in practice, computerized trade licensing is functioning in 18 old PSs, PMO stands to provide instant support.
 - ❖ A total Tk. 567.71 million has been collected as **holding tax** against targeted TK. 681.29 million for FY 2012-13 by the 47 PSs up to the 4th qtr which shows a collection efficiency of 83.33%. The **non-tax collection** totaled Tk. 1404.95 million against a target of Tk. 1270.40 for FY 2012-13 by the 4th qtr -end & collection efficiency scaling 110.60%. Project-globally, 34 PSs have WS system in place where an aggt **water tariff** of Tk. 252.91 million has been collected up to the qtr against demand of Tk. 333.72 million which has reached a collection eff of 75.78%.
- ❖ In quantitative terms, Tk. 128.00 million has already been **settled** out of Tk. 128 million by 31 old PSs and the new PSs repaid Tk. 26.31 million 4 against a total **loan** of Tk. 26.31 million. During the qtr, 16 PSs out of 47 fully paid their **arrear** and **current electric bills** of Tk. 19.22 million against **bill amount** of Tk. 19.44 million representing 56.70% of the total bill amount. On the other, 47 PSs fully paid their **arrear and current telephone bills** Tk. 2.03 million against Tk. 2.03 million i.e 100% of total bill.
- ❖ Training on GAP done for 16 new PSs - attended by **54 male & 51 female** GC members; GPD team organized: a) Orientation on IEC materials done at PMO – attended by 44 male and 18 female participants; b) training to improve skill in managing meeting of TLCC effectively at PMO, senior PS officials- participated by 81 incl 32 Mayors, **45 secys/CEOs**; c) training to improve skill of the TLCC members at **6 pilot PSs** - attended by **239 TLCC members**.

Financial Status, Expenditure & Cumulative progress

Financial Plan and expenditure is summarized in Table 1.1 below.

Table 1.1: Approval status and expenditure as of 30 June, 2013

Source	Approval			Actual Expenditure		
	In Million US\$	% of Total Project Cost	In Million Taka	In Million Taka	% of Total Project Cost	In Million US \$
ADB	87.00	50.76	6634.09	2,848.49	42.94	36.62
KfW	36.07	21.05	2473.595	1,371.04	55.43	17.63
GIZ	8.615	5.03	632.677	435.99	68.91	5.61
GoB	31.70	18.50	2311.075	1,244.27	53.84	16.00
Pourashavas	7.30	4.26	500.561	-	-	-
Beneficiaries	0.70	0.41	47.999	-	-	-
Total	171.385	100.00	12600.00	5,899.79	46.82	75.85

Exchange Rate: 1 US\$ = BDT 77.78 (as of 30 June 2013)

Cumulative Progress up to 30 June 2013: Physical 85.14%, Financial 46.82%

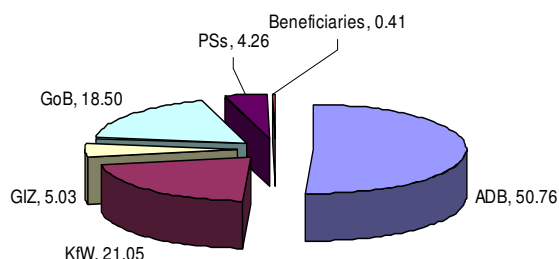


Fig 1: Contribution to the Total Project

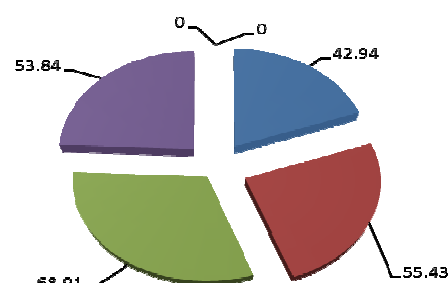


Fig 2: Actual Expenditure

Table 1.2: Cumulative Progress (As on 30 June, 2013)

SI	Description of Item of Work	Assigned Wt	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		33.94
8	Implementation of UGIAP : Phase 2	12	100	12.00
9	Detail Design and Bid Preparation	3	100	3.00
10	Conclusion of SPA & SLA	1.5	100	1.50
11	Tendering and Contract Award	3	100	3.00
12	Implementation and Supervision	8	98	7.84
13	Performance Evaluation of UGIAP: Phase 2	1.5	100	1.50
14	Land Acquisition for Phase 3 Physical Investments	6	80	5.10
D.	Phase-3	30		16.20
15	Implementation of UGIAP: Phase 3	15	40	6.00
16	Detail Design and Bid Preparation	3	100	3.00
17	Conclusion of SPA and SLA	1.5	100	1.50
18	Tendering and Contract Award	3	90	2.70
19	Implementation and Supervision	7.5	40	3.00
	Total	100		85.14

SECTION – A

1.1 Basic Information

Urban Governance and Infrastructure Improvement (Sector) Project II (UGIIP II) 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, KfW and GIZ co-financed the undertaking alongside ADB, and importantly, GoB.

The project (UGIIP II) 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.

Given in the box below are some basic data/info about the project, while other project details and features have been depicted in later sections.

1. Country	: Bangladesh
2. Loan No.	: 2462-BAN (SF)
3. Project Title	: 2nd Urban Governance & Infrastructure Improvement 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 PSs
7. Amount of Loan	: SDR 55, 445,000 (eq. US\$ 87.00 Million)
8. Total Estimated Project Cost	: Tk. 114,854.75 Lakh (DPP), Original Cost US\$ 167.50 Million
9. Total Revised Project Cost	: Revised Cost Tk 12,600 million US\$ 171.385
10. Date of Loan Approval	: 28-10-2008
11. Dt of Signing Loan Agreement	: 04-11-2008
12. Date of Loan Effectiveness	: 19-11-2008
13. Date of Loan Closure	: 31-12-2014
14. Elapsed Loan Period	: 75.00 % (as of loan effectiveness)
15. Last Review Mission	: Last Review Mission was held from 17 May-5 June' 13
16. Project's Co-financiers	: a. ADB: Loan 2462 BAN-SF – 55.445 SDR mill b. KfW: Grant Nr 200766618 – 23 .00 mill EURO c. GIZ: Grant – 8.615 mill EURO

1.2 Introduction to the Project

The 2nd Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-II) started from January 2009, to promote HRD and good urban governance and as well, to improve infrastructure in 35 project PSs with the financial assistance from, alongside GoB, ADB, KfW and GIZ. 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. [Note: Eventually, under the 3rd phase of the project, 4 out of the initial 35 PSs were excluded from the project while another 16 have been inducted, that raises the current aggregate number of PSs to 47]

1.3 Project Objectives & Scope

Primary objective of UGIIP II 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 II 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 physical infrastructure and urban services.

1.4 Project Components

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

Component A: Urban Infrastructure and Service Delivery : The output of this is developed infrastructure and improved service delivery, including urban transport, drainage, solid waste management, WSS, municipal facilities, and basic services for the poor in slums. The subprojects in each PS will be identified through participatory urban planning. The size of investment funds allocated in each PS depends on its performance of governance improvements.

Component B: Urban Governance Improvement and Capacity Dev't : The desired output is improved governance and developed capacity of PSs. Each PS takes a series of following reform activities in six key areas identified in the UGIAP, which are: 1] citizen awareness and participation; 2] urban planning; 3] women's participation; 4] integration of the urban poor; 5] financial accountability and sustainability; & 6] administrative transparency. UGIAP was applied in UGIIP I while, down the road, UGIIP II adopted a refined/improved version of the earlier one. Relevant activities stood to be supported by training & facilitation, and monitored to assess the performance and consequent performance-based allocation were eyed to generate strong incentive for PSs to achieve given performance targets.

Component C: Project Management and Implementation Support : A PMO in LGED and a PIU in each PS stood to be established under this. 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. Supportive consulting services are provided for implementation and to strengthen the institutional, administrative, and financial capacities of the PS and the LGED (96 international PM & 4,878 National PM). Main pckgs are: Pckg 1: GICD & 2. MDS. GIZ is scheduled to provide GPD-support. Besides, there are a number of Individual consultants.

1.5 Project Packages

GICD Consultants (Pckg 1) : GICD consultants pckg involves 876 national PM. They support PIUs in Implementing UGIAP-2 through capacity dev't, community mobilization (com mob) and other facilitation activities. Headed by a TL, each of the six regions have three RCs in charge of urban planning, municipal finance, and community mobilization. The pckg would include engagement and management of the UGIAP facilitators at a rate of three for each PS (for planning, municipal finance, & com mob).

MDS Consultants (pckg 2) : MDS pckg (headed by an Intl TL) has 3,414 PM (96 Int'l & 3,318 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.

GPD Experts (pckg 3): GIZ provides in-kind contribution (GIZ selected experts with PMO's endorsement) in TA form. It engaged experts for GPD (76 Int'l PM & 192 Nat'l PM) plus 3 facilitators in each of the 4 GIZ-assisted PSs. The experts will refine and expand training modules currently utilized by UMSU. GIZ will cover 6 PSs (Jamalpur, Faridpur, Natore, Jhalakhati, Chandpur and Sreemongal) for providing direct support with facilitators during the 3rd Phase of UGIIP II.

Consultant Support for Regional UMSU (pckg 4) : Five consultants formed a team in each of four RUMSUs. They stood to support RUMSUs in implementing standard training modules to PSs. 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.

Benefit Monitoring and Evaluation (BME) [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 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 6]: A senior national consultant has been engaged to support the UMSU 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 TL examines how to pckg MPRC's monitoring to sustain governance reforms in PSs. Other 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] **Equipment Procurement Consultant:** in procuring equipment & vehicles, including preparation of specifications and bid docs; & c] **Audit Support Consultant** : in reporting and responding to the external audit. As well, they support the PMO and PIUs in establishing internal control and checking.

1.6 Project Locations

Focusing on the 3rd and final phase, UGIIP II now includes 47 PSs in all (16 new plus 31 retained). Their distributive locations by division are given below in Table 1. (also ref project map).

Table 2.1 : Division wise distribution of PSs (PSs)

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

1.7 Implementation Period & Arrangements

Time-expanse of UGIIP II stretches from 1st Jan'09 to Dec'14. The Project stands to be implemented in 3 phases as given below 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 in progress

(Note: The duration of the 1st Phase was increased by 3 months as per decision of the review mission of 6-15 June 2010 and an additional 3 months would be required for evaluation)

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

Central level: Reiterating EA for the project is LGED. ISC 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 Mayors. It may convene meetings whenever necessary, but at last once every 3 mths.

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 two DPDs. 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 & C 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.

1.8 Special Features

Performance-based Allocation: The project adopts a performance-based allocation of funds (initiated by UGIIP I). Allocation to each PS depends on its meeting UGIAP-coined performance-levels in GI. Through meeting such specified requirement, spanning GI, Capacity building, financial & service-provision parameters & certain others, an incumbent PS graduates to successive phases and receives project funds accordingly.

Participatory Urban Planning: The project introduces participatory urban planning to PS through the development of PDPs. Broad citizen groups, including women and the poor stand to be represented in

TLCCs and WLCCs and a series of consultations were to be carried out to formulate the PDP. The participatory formulation of PDP makes PSs officials and elected representatives more accountable to communities and increase transparency on resource-use and achievements in improving service delivery. In addition, the Urban Planner, a key position in the PS's planning context, is an imperative for a PS. The slot often remained vacant. UGIAP specifically requires PSs to unfailingly recruit urban planners (Class A PSs) and the project would provide adequate capacity development for them.

Pro-poor Urban Development: Each PDP includes a PRAP to identify and formulate specific actions for poverty reduction. A SIC would be established in each target slum to operationalize the PRAP. TLCCs & WLCCs would have sufficient representation of low income group to ensure their participation in decision-making processes of PS mgt. To ensure adequate budget for PRAP-implementation, a minimum 5% of the PS-budget would be earmarked to finance basic services for the poor in slums.

Private Sector Participation : The project promotes private sector participation in mgt of urban infrastructure. O&M of Bus & Truck terminals would be outsourced to private sector through competitive bidding. Private sector participation in SWM would be examined to formulate feasible mechanisms, and introduced to the extent possible.

1.9 Fund Allocation among PS

Investment Ceiling: Investment Ceiling of maximum fun-allocation to a PS is Tk.250 million for class A PSs, Tk.200 million for class B PSs, and Tk.100 million for class C PSs and does not include in-kind contributions by PSs and beneficiaries.

Financing Pattern: Civil works & eqp for revenue-generating subprojects, including water supply, bus & truck terminals, would be financed 50% by grant & 50% by loan for class A PS and 70% by grant & 30% by loan for class B PS. The loan would 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: Project stipulation was that the PSs, on achieving UGIAP's performance criteria of ph-1, would proceed to Ph-2 and be entitled to utilize a max 50% of the investment ceiling. Expected average period of ph-1 has been 1.5 years. The assessment of PSs performance by MPRC stood to be carried out semiannually. Failure to comply would disqualify PSs to graduate to ph-2.

Entry to Phase 3: At the end of phase 2 (around Jun'12), PSs' performance stood to be rated by the MPRC. The rating categories were to be "fully satisfactory" (ph-2 performance criteria fully met), "satisfactory" (minimum requirements of ph-2 met) and "unsatisfactory" (ph-2 criteria not met). The additional entitlement in ph-3 is 50% of the investment ceiling for PSs with a 'fully satisfactory' rating, 25% with a 'satisfactory' rating and none for PSs with an 'unsatisfactory' rating.

2. SECTION – B : THIRD PHASE ACTIVITIES AND PROGRESS: A SYNTHESIS

2.1 Project Management Office (PMO)

Overall Management of planning and implementation of UGIIP II 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.

Reiterating, 31 of the original 35 PSs have made their way into the 3rd & final phase of the project. Alongside it, 16 new PSs have also been brought under the project umbrella, raising the aggregate number to 47. And similar to the constant persuasion, motivation and simultaneous monitoring of the progress and positive changes warranted by the project that the PMO carried out during the two earlier phases, are being continued in this phase as well with equal fervor, eyeing not to let any ULB slip away from the given track.

One laborious task executed by the PMO during the Oct-Dec'12 quarter was restructuring/reorganizing the DPP of UGIIP II. The Recast DPP was transmitted to the Ministry on 24 Dec'12. Salient features are that the DPP's aggregate amount now stands at Tk 12,600 million while the original aggregate was Tk 11,485.5 million. Expectedly, the revised DPP stands to be approved by the middle of January 2013. Importantly, a joint ADB-KfW Review Mission visited the project during 17 May-5 June 2013. In course of the review, they made field visits to Benapole, Chuadanga, Kushtia, Jhenaidah and Narail PSs. Briefly stating, their impression on field visits were:

- TLCC/WLCC/CBO members were found playing their roles well. Qualitative improvements were noted in recording of TLCC meeting proceedings. They also advised PMO to get the inactive committee members including representative of Govt. Service agencies replaced by 30th June, 2013, with subsequent orientation of the new inducted members;
- Pourashava' reassessment exercise yet to bring. In some cases, substantial improvement of local resource generation. LGED to regularize a training program for the tax assessors under its Urban Management Support Unit starting from FY 2013-2014. PMO will extend its support to initial ones during up to December 2013.
- Special attention is required for supervision of the ongoing piped water supply works as because both PIU staff and MDS consultants demonstrated lack of adequate experience and capacity for effective guidance during implementation. PMO in coordination with Pourashavas arsenic test must be done for the hand tube wells before the contracts are finalized.
- It has been observed that TLCC members generally discuss UGIIP-II matters probably because of lack of proper orientation. Future trainings should focus the broader role of TLCCs so that they consider all development projects in their city.

In conclusion, the Mission expressed satisfaction over the commendable progress made by new entrant PSs through completing UGIAP Phase-III activities. As well, they appreciated LGED and the ministry for prompt support to the PS performance evaluation that led to timely start of phase 3.

The Mission also observed with satisfaction that works in the new PSs have started owing to some advanced action taken by LGED through preparing survey, design and quantity-surveying for phase 3 subprojects.

2.2 Project Implementation Unit (PIU)

Consequent upon getting required instruction and advice on the doables and their time-schedule, the PIUs got down to the task of preparing their respective subprojects. By and large, by June' 13, all 16 new PSs have awarded contract while 28 out of 31 old PSs also have awarded contract and construction work started in full swing.

As has been reported, the PIUs are implementing time bound activities of UGIAP Phase-III activities with assistance of PMO, GICD Consultants and GPD team, that are being supervised by the PMO. TLCC, WLCC and GC meeting are convened as scheduled in all 31 old PSs. MCC and GRC are, reportedly, conducting their regular meetings consistent with the stipulations of UGIAP.

Reiterating, it is worth a mention that under PMO-guidance, all 16 new-entrant PSs have achieved their commendable progress in implementing local governance activities.

2.3 Sub-projects Preparation, Submission and Approval

During the April-June, 13 quarter, the PIUs awarded contract a number of sub-projects (also see above) for 3rd phase of the project. Reiterating, 44 out of 47 PSs, have awarded contract and remaining 2 (Munshigonj, & Sreepur) are in the process of bid evaluation and Chowmohoni PS has no subproject in the 3rd Phase as they failed to achieve minimum progress.

2.4 UGIAP: Phase-III Implementation

In the April-June,13 quarter, UGIAP : Phase-III implementation started getting geared up in all 47 PSs including 16 new-entrants. Review and discussion meetings on UGIAP – ph 3 doables and pertinent Implementation were organized between and among the PS-officials and the RCs and Facilitators of the GICD team eyeing to firm-root and accelerate the process.

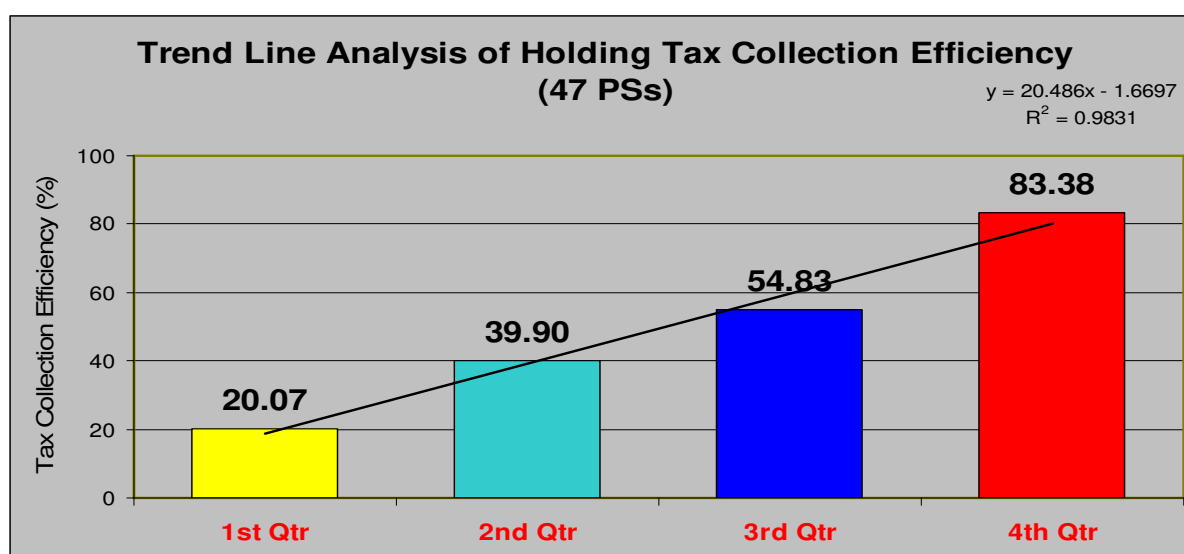
A brief overview of the progress of UGIAP ph-3 implementation is narrated in section 2.5.1 below.

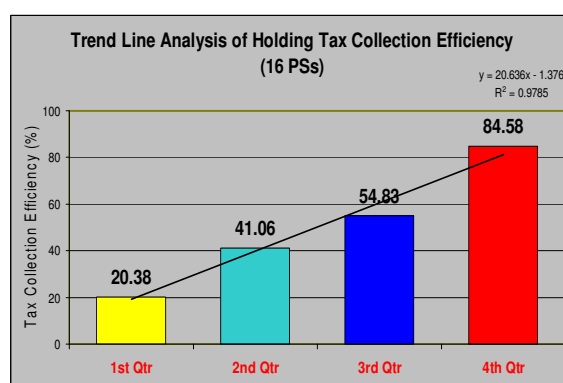
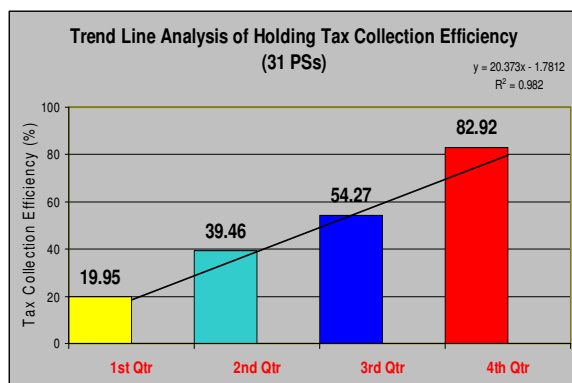
2.5 Activities of the Consultants and Reporting

2.5.1 GICD Consultants

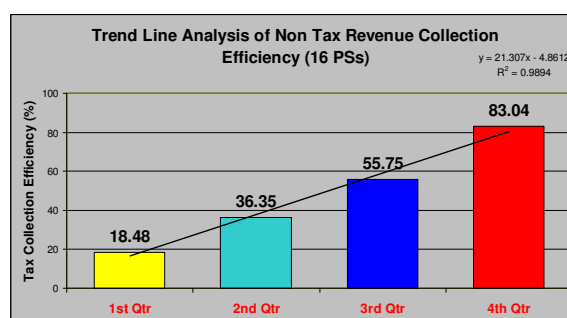
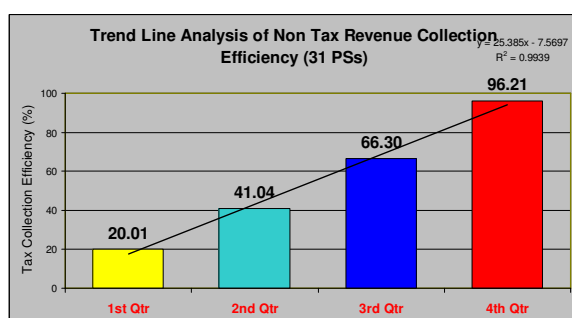
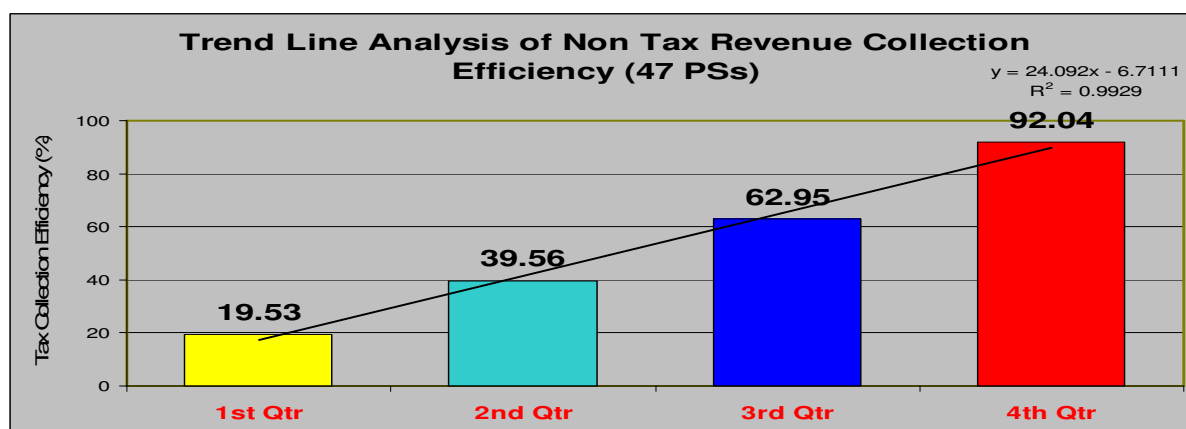
GICD makes an effort to improve governance issues and as well develop capacity in Pourashavas (PSs) through carrying out a series of reform activities in six key areas performed by 24 activities in the Urban Governance Improvement Action Programme (UGIAP) in Phase-III of UGIIP-II. The areas are: (1) Citizen Awareness and Participation; (2) Urban Planning; (3) Women's Participation; (4) Integration of the Urban Poor (5) Financial Accountability and Sustainability; and (6) Administrative Transparency. At the end of the fiscal year by the 4th quarter of 2012-13, the PS-officials desperately tried to comply with the requirements of UGIAP Phase-II in collaboration with the PMO and GICD. However, in spite of having pressure of the time-bound and performance-based approach, an impressive ending has been shown by the PSs at the end of the fiscal year 2012-13. The report has been prepared considering the decisive progress of governance improvement and capacity development for 47 PSs as narrated in the ToR.

At the end of 2012-2013 FY by the fourth quarterly report, **holding tax-collection-efficiencies of 47 PSs have found 83.38%**. The lowest efficiencies found in **Chowmuhani (49%), Cox's Bazar (64%), Lalmohan (68%), Munshigonj (69%), Bhola (72%) and Gopalgonj PS (73%)**. Collection efficiency of **Kalapara** has found **77%**. The yearly holding tax collection efficiencies have been detailed in Table-5.5 of Part-A (31 PSs) and Part-B (16 PSs). The following graphs show the quarter-wise achievements of holding tax collection efficiencies of all PSs:





Similarly, at the end of 2012-2013 FY by the fourth quarterly report, the demand for **non-tax-revenue collection of 47 PSs** was **Tk. 1,526,508,159.95 (1,527 million)** and the collection against the demand was **Tk. 1,404,947,157.67 (1,405 million)**. Based on 7% inflation rate (on collection of 2011-12FY), required collection has been calculated as **Tk. 1,270,459,663.00 (1,270 million)**. Conversely, the amount of **Tk. 134,487,495.00 (134.4 million)** has been additionally collected which was more than that of the required amount of total 47 PSs at the end of 2012-2013 FY. However, in case of individual PS-performance, there are **11 PSs** (*Barguna, Bhola, Chowmuhani, Cox's Bazar, Ghorashal, Jhalokathi, Kalapara, Nachol, Satkhira, Sreepur and Madaripur*) could not attain the target. Collection in terms of efficiency was found **92.04%**. The lowest efficiencies found in Ghorashal (**60%**), and the highest efficiency found in **Sirajgonj (157%)**. The non-tax revenue collection and efficiencies have been detailed in Table-5.6 of Part-A (31 PSs) and Part-B (16 PSs). The following graphs show the quarter-wise achievements of non-tax collection efficiencies of all PSs:



Electricity Bills: As per fourth quarterly report of 2012-13 FY, **23** from old project-PSs and **13 from new** project-PSs have fully paid electricity bills. Payments for the month of June will be made upon receiving electricity bills next month i.e. in July 2013.

However, the progress-status of **Khagrachari PS** that considered up to March 2013 revealed that the PS has complied with the required criteria by making payment regular through rescheduled instalments under an arrangement between the authorities concerned.

Telephone bills: There is no amount remained unpaid by PSs against telephone bills. All of 47 PSs, at the end of the year have made 100% payment against telephone bills except a very little amount of Tk. 10,073.00 remained unpaid by Patuakhali PS.

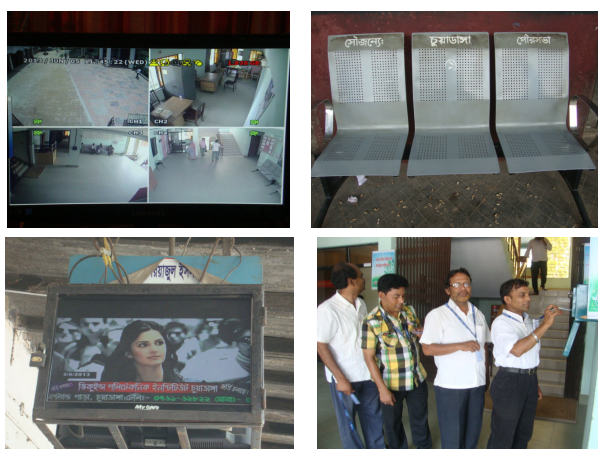
Loan repayment status says that the installments have been regularized by the PSs who had overdue in last quarter.

A Joint Review Mission from the development partners has visited **Benapole, Chuadanga, Kushtia, Jhenaidaha** and **Narail** during 17-20 May and **Cox's Bazar, Bandarban** and **Khagrachari** during 24-27 May 2013. The mission had the opportunity to participate different programs run by the PSs. The team shared their opinion amongst TLCC members in a lively discussion from both way. The Mission was headed by Mr. Rafiqul Islam, Senior Project Implementation Officer, Bangladesh Resident Mission, Asian Development Bank. Mr. Habibur Rahman, Senior Program Manager, KfW and Mr. Md. Syed Rokonuddin, Sr. Consultant, Training and Curriculum Development, GPD towards guided the Mission. The Mission was accompanied by a PMO team under Mr. Md. Shafiqul Islam Akhand, Project Director, UGIIP-2, LGED.



Workshop on Gender issues: A 3-daylong workshop on gender issues was held in Comilla during 8-10 June, in Dhaka during 15-17 June and in Rangpur during 21-23 June 2013. The president and secretary of gender committees of 47 PSs participated in the Workshop. **The Project Director, UGIIP-2, LGED has inaugurated the workshop of 3 regions.** The regional Coordinators of GICD, Training Coordinators of GIZ and a gender specialist from PMO attended the workshops as resource persons.

Chuadanga PS has performed remarkable activities in implementing UGIAP by undertaking some initiatives at its own that indicates satisfactory services to the poura-citizens. PS has set 4 close circuit cameras to its different places as a part of poura-campus-security and to oversee the activities of poura-staff; it has provided LCD TV to the waiting room of railway station with new seating arrangement for the passengers; It has also introduced punch-card that distributed among poura-staff to maintain their 'In & Out' records. In addition to that, PS has provided waste-bin under each bed and dustbin in each ward of hospital that cleans on a regular basis by PS-staff deployed for waste management in hospital. The Joint Review Mission from donor-partners appreciated the total initiatives of PS during their visit on 18 May 2013.



WLCC and TLCC members of 12 wards of **Chandpur PS** came up with a procession on poura-cleaning message and got together in the PS-campus that ultimately turned into a bigger rally, which passed through the major roads of PS. The members of CBO, MCC, GC, PRAP-SC, WLCC, TLCC and general people participated in the rally. In a special TLCC meeting on 13 May 2013, the Poura-parishad approved the decision that the particular day i.e. **"14 May" will be**



observed as "Chandpur Annual Poura-Cleaning Day" Poura-cleaning Programme in **Dhanbari** and **Ghorashal PSs** have lunched poura-cleaning program during May 2013.

Khagrachari PS inaugurated a training programme on sewing and tailoring trade. PRAP Steering Committee of the PS distributed shoes and socks to the poor students of primary schools; corrugated tin to the poor people and financial support to the poor women. It is giving regular drive for formalin identification in poura-markets. PS penalizes in terms of money for the time being to businesspersons dealt with formalin and deposited the penalized money into bank as income from non-tax revenue. Later the Mayor will take legal action for this serious offence as stated.



With reference to UGIAP Phase-III criteria and PS's compliance with the criteria, the Mayor of **Golapgonj PS** has issued a **final warning letter** to the RPGCL Gas Company asking to pay dues against holding tax amounted **Tk. 14,13,096.00** by 12/06/2013 as it failed to pay by 15/05/2013. Otherwise, all the dues shall be adjusted by seizing all movable properties after 12/06/2013 as mentioned in the PS's official letter. It was a strong initiative to collect holding tax which has remained unpaid since a long from non-government and government organizations. Beside this, **Golapgonj PS** has taken an initiative to encourage school students to celebrate national and cultural events organized by the schools. The PS has donated 10 musical instruments (Harmonium) to the head teacher of 10 schools.



Kushtia PS has introduced a call centre in its office room side by side a digital display board. It has a special importance as the citizens receive quick response from the centre against any information and complaints. It gets connection with the mayor if it is very urgent that needs to talk to him.



The PS also adapted waste collection mechanism and community based pilot composting project. As of April 2013, the PS has spent Tk. 20,20,000.00 for helping the poor people on education, health, IG activities, day care centre and for financial supports. It encourages sports programs by organizing different competitive indoor and outdoor events; It celebrated the historic May Day and poet Rabindranath Tagor's birthday. It may be mentioned here that under the requirements of UGIIP-2 to comply with its criteria, Kushtia PS has completed re-assessment activities by 30 May 2013 which be made effective from 01 July 2013. It has been revealed from the comparative analysis on the re-assessment between 2005-06 and 2012-13 that there were no remarkable changes happened over the period of 7 years. Mentionable that on average only Tk.105.00 increased per holding after 7 years.



In the heart of the **Gaibandha PS** there was a park remained unused since a long. In UGIAP-Phase-II implementation activities, this park has been prioritized during scheme identification process to beautify with different facilities through which general mass take a breath spending healthy leisure time and children can play as their park as well. With this demand in



view, the PS in support of UGIIP-2 and at its own initiatives, undertook some activities like retention wall constructed around the pond inside, construction of pond landing stair in front of library, seating-bench around the pond, walkway, concrete-umbrellas, and construction and setting sleeper for the children, swings (*Dolna*), balance-ladder etc. It has more plans to beautify this pond-cum-park upon availability of poura-fund. Mentionable that **Tk. 20,85,000.00** already been spent so far this demand driven development programme.

The Review mission has participated in a special TLCC meeting at **Narail PS**. The team visited slum improvement activities and poura-market. The team also participated in an activity distributing goat and 2-day-old duck and chicken to the poor women of the pourashava under the implementation of PRAP and GAP.



Kakonhat assisted 36 women in receiving BITAC organized a three-month long skill-based training on different trades to 7 women for electrical course, 3 for HH maintenance, 10 for general plastic processing training course, 6 for carpet making, 3 educated girls for AutoCAD computer course, 3 for welding and gas course and to 4 women for other courses. The PS had to spend **Tk. 1,00,000.00** for this program from its own fund. In addition to that, the PS has provided a three-day-long training on duck rearing and spent **Tk. 48,000.00** for 50 ultra-poor women to make them self-reliant under PRAP program.



Poura- Budget: The Special TLCC meetings were organized by the Project-PSs to oversee the program with special attention to the **Poura-budget** that has been approved by the poura-parishad after it displayed publicly in May 2013. Discussion on TLCC's budget was reciprocal from both end between TLCC members and the public attended the meeting.



Jamalpur PS has organized an awareness-building rally on Anti-drug activities on 19 May 2013 with a message that “**Madok manushke dhongso kore, madokke na bolun**”. All the members of the CBOs participated in the rally. Citizens of the PS encouraged this rally clapping hands. CBO members decided that they would continue this programme on a regular basis to bring their PS-people back with free from life spoiling drug-taking habits that are destroying young group of people day by day. The PS awarded 431 students who obtained GPA 5.0 by a crest with certificate each of them. Moreover, a student got admission in to Dhaka Medical College would be getting **Tk 18,000.00** per year as stipend money and money for the first year has already been paid. The PS is also providing medical services from its own fund. This practice is continuing in each ward. Besides this, a committee formed in **Jamalpur PS** for identification of best taxpayers that keeps going.



An award giving ceremony was held in **Ghorasal PS** where the PS awarded talented students who obtained GPA-5 (A+) in PSC, JSC and SSC examination held in 2012. 21 students (2 girls of PSC, 3 girls of JSC, 12 girls and 4 boys of SSC passed from **Ghorashal Pilot High School**) got this award from the PS. **Formalin-free Market:** **Ghorashal PS** has bought a formalin-testing machine to identify

formalin in marketed fishes. **Ghorshal** and **Sreemongal** market have been declared as formalin-free market in May.

Cox's Bazar PS has been providing training on sewing and tailoring activities under PRAP since February 2012 to the poor women and successfully completed four batches of training so far. The PS appointed two women trainers. PS provided sewing machine to the trainees after successful completion of the course. It provided a three-month long training to each batch of Paura-women and distributed 55 sewing machines to the 55 poor women so far. Similarly, **Golapgonj PS** provided 150 machines and 360 bundles of CI Sheet to the Paura-women of its nine wards.



The UGIIP-2-supported Sirajgonj Paura-Super Market with **102 shops** will be able to mobilize **Tk. 6,54,43,050.00** as non-refundable security money and earn **Tk. 3,88,420.00** per month as rent from the shops. It is a big source of revenue earning from non-tax items. 7 shops have already been leased out at **Tk. 44,75,250.00** that has already been deposited into poura-account by 30 May 2013.



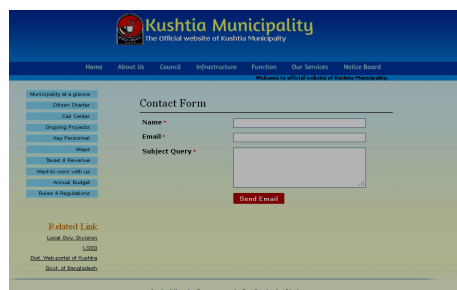
Benapole PS has shown a good practice for the newborn baby and parents. The mayor, on behalf of PS, blesses the new baby sending flowers to the parents if they asked for birth certificate making all payments made against taxes. It also opened an information-centre from where poura-people get information regarding the services they seek. The Joint Review Mission visiting toilets for male and female constructed by the Paura-SIC under the implementation of PRAP activities of UGIIP-2.



A medical service programme has been arranging regular basis at **Dhanbari PS** with the assistance of UGIIP-II starting from May 2013 for providing better treatment to the Paura-citizens. Dhaka based 8-Doctors Medical Team has been providing supports to this programme undertaken by the PS. Beside this, PS is continuing health service at ward-level where the Upazila Health Officer has been giving treatment every Wednesday. A trained village doctor has been deployed by the Mayor of **Kakonhat PS** who is providing primary health support to the poor Paura-citizens.



IT Progress: Training on Accounting and Holding Tax Management Software has been provided to Officials of Ghorashal, Sreepur, Noakhali, Chowmuhan, Kakonhat and Bashurhat Paurashavas; training on Trade Licence has been provided to Kakonhat Bashurhat PS; As on 30 June 2013 all of 47 PSs have opened Website that annexed in Annexure-2. **Kushtia PS** opened website with a complain-facilities against any anomalies of PS using this webpage.



A coordination meeting of GICD Team



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