



Completion Report

Project Number: 40559-013
Loan Number: 2462
August 2017

Bangladesh: Second Urban Governance and Infrastructure Improvement (Sector) Project

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Asian Development Bank

CURRENCY EQUIVALENTS

Currency Unit	–	taka (Tk)	
		At Appraisal	At Project Completion
		(1 July 2008)	(30 June 2015)
Tk1.00	=	\$0.01459	\$0.01285
\$1.00	=	Tk68.52	Tk77.775

ABBREVIATIONS

ADB	-	Asian Development Bank
CBO	-	community-based organization
DMF	-	design monitoring framework
GAP	-	gender action plan
GICD	-	governance improvement and capacity development
GTZ	-	Gesellschaft für Technische Zusammenarbeit (German Agency for Technical Cooperation)
GIZ	-	Deutsche Gesellschaft für Internationale Zusammenarbeit, GmbH (German Corporation for International Cooperation, Ltd.)
KfW	-	Kreditanstalt für Wiederaufbau (Reconstruction Credit Institute)
LGED	-	Local Government Engineering Department
LGD	-	Local Government Division
MDS	-	management design and supervision
MoLGRDC	-	Ministry of Local Government, Rural Development, and Cooperatives
MPRC	-	municipal performance review committee
O&M	-	operation and maintenance
PCR	-	project completion report
PDP	-	pourashava development plan
PRAP	-	poverty reduction action plan
PMO	-	project management office
PIU	-	project implementation unit
SIC	-	slum improvement committee
TLCC	-	town-level coordination committee
UGIAP	-	Urban Governance Improvement Action Plan
UGIIP II	-	Second Urban Governance and Infrastructure Improvement Project
UMSU	-	Urban Management Support Unit
WLCC	-	ward-level coordination committee

GLOSSARY

- decimal – 1/100 of an acre
pourashava – municipality – a local government institution administered by elected representatives

NOTE{S}

- (i) The fiscal year (FY) of the government and its agencies ends on 30 June. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2017 ends on 30 June 2017.
- (ii) In this report, "\$" refers to US dollars.

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BASIC DATA

A. Loan Identification

1.	Country	Bangladesh
2.	Loan Number	2462 - BAN (COL)
3.	Project Title	Second Urban Governance and Infrastructure Improvement (Sector) Project
4.	Borrower	People's Republic of Bangladesh
5.	Executing Agency	Local Government Engineering Department
6.	Amount of Loan	SDR55,445,000
7.	Project Completion Report Number	1657

B. Loan Data

1.	Appraisal	
	– Date Started	16 June 2008
	– Date Completed	1 July 2008
2.	Loan Negotiations	
	– Date Started	25 September 2008
	– Date Completed	26 September 2008
3.	Date of Board Approval	28 October 2008
4.	Date of Loan Agreement	4 November 2008
5.	Date of Loan Effectiveness	
	– In Loan Agreement	2 February 2009
	– Actual	19 November 2008
	– Number of Extensions	0
6.	Closing Date	
	– In loan agreement	30 June 2015
	– Actual	9 October 2016 ¹
	– Number of Extensions	0
7.	Terms of Loan	
	– Interest Rate	1% during grace period and 1.5% per annum thereafter
	– Maturity (number of years)	32
	– Grace Period (number of years)	8
8.	Terms of Relending	
	– Interest Rate	4% per annum
	– Maturity (number of years)	20
	– Grace Period (number of years)	5
	– Second-Step Borrower	pourashavas

¹ All transactions were closed by 30 June 2015.

9. Disbursements

a. Dates

Initial Disbursement 13 March 2009	Final Disbursement 17 July 2015	Time Interval (month) 77.23
Effective Date 19 November 2008	Original Closing Date 30 June 2015	Time Interval (month) 80.47

b. Amount (SDR'000)

Category or Subloan	Original Allocation	Last Revised Allocation	Amount Canceled	Net Amount Available	Amount Disbursed	Undisbursed Balance
01-Civil works	35,097	36,500		36,500	4,1088	-4,587
02A-Equipment and vehicles component A	5,185	7,000		7,000	5,509	1,490
02B-Equipment and vehicles component B	673	335		335	312	23
03-Consulting services	6,263	6,440		6,440	5,053	1,386
04-Capacity development, workshops and campaigns	830	1,500		1,500	702	797
05-Recurrent cost	961	990		990	669	320
06-Interest charge	1,856	1,856		1,856	1,179	676
07-Unallocated	4,580	824		824	0	824
Total in SDR equivalent \$'000	55,445	55,445	0	55,445	54,512	933^a
	87,000	83,689	0	82,390	82,390	1,299

^a Amount of SDR932,526.17 canceled at loan closing on 9 October 2016

C. Project Data

1. Project Cost (\$ million)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost	-	19.36
Local Currency Cost	-	149.05
Total	-	168.41

2. Financing Plan (\$ million)

Cost	Appraisal Estimate	Actual
Implementation Costs		
Borrower Financed	31.7	33.36
ADB Financed ^b	84.1	80.63
Other External Financing (KfW)	36.1	36.16
Other External Financing (GTZ)	4.7	8.5
Pourashava	7.3	7.3
Beneficiary	0.7	0.7
Subtotal 1	164.6	166.65
IDC Costs		
Borrower Financed	0.0	0.00
ADB Financed	2.9	1.76
Other External Financing		0.00
Subtotal 2	2.9	1.76
Total	167.5	168.41

^b Amount excluding IDC costs

ADB = Asian Development Bank, IDC = interest during construction, GTZ = Gesellschaft für Technische Zusammenarbeit, KfW = Kreditanstalt für Wiederaufbau.

3. Cost Breakdown by Project Component (\$ million)

Component	Appraisal Estimate	Actual
A. Base Cost		
1. Infrastructure and Service Delivery	117.7	132.95
2. Governance Improvement and Capacity Development	9.9	13.43
3. Project Management and Implementation Support	14.5	15.32
4. Tax and Duties	10.7	4.95
B. Contingencies	11.8	0
C. Financing Charges During Implementation	2.9	1.76
Total	167.5	168.41

4. Project Schedule

Item	Appraisal Estimate	Actual
Date of Contract with Consultants	March 2009	April 2010
Completion of Engineering Designs	June 2012	December 2014
Civil Works Contract		
Date of Award	September 2010	31 July 2011
Completion of Work	December 2014	31 May 2015
Equipment and Supplies		
Dates		
First Procurement	March 2009	9 June 2010
Last Procurement	March 2013	30 June 2014
Completion of Equipment Installation	December 2014	2 April 2015

5. Project Performance Report Ratings

Implementation Period	Ratings	
	Development Objectives	Implementation Progress
From 19 November 2008 to 30 December 2009	Satisfactory	Satisfactory
From 1 January 2010 to 31 December 2010	Satisfactory	Satisfactory
From 1 January 2011 to 31 December 2011		On Track
From 1 January 2012 to 31 December 2012		On Track
From 1 January 2013 to 31 December 2013		On Track
From 1 January 2014 to 31 December 2014		On Track
From 1 January 2015 to 31 December 2015		On Track
From 1 January 2016 to 31 December 2016		On Track

D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members
Fact-finding	9–21 Mar 2007	4	12	d,c,i,i
Appraisal	16 June–1 July 2008	4	15	d,c,i,i
Inception/Loan handover	13–18 January 2009	3	18	d,e,i
Review 1	6–17 June 2010	3	12	s,i,j
Review 2	3–5 May 2011	2	3	i,j,
Review 3	22–25 October 2011	3	4	i,j,k,t
Review 4	27–30 October 2011	3	4	i,j,k,t
Review 5 (MTR)	21 April–7 May 2012	3	3	i,j,k,t,f
Review 6	10–26 November 2012	4	5	i,j,k
Review 7	17 May–5 June 2013	3	8	i,j,k,t
Review 8	7–9 Nov 2013	3	2	i,j,k,t
Review 9	6–22 May 2014	3	4	i,j,k
Review 10	18–30 Oct 2014	3	12	i,j,k
Project completion review ^c	20 December 2016– 12 March 2017	3	11	i,j,k

a = engineer, b = financial analyst, c = counsel, d = economist, e = procurement consultant or specialist, f = urban development specialist, g = programs officer, i = project officer, j = analyst, k = staff consultant, s = specialist, t = safeguards officer

I. PROJECT DESCRIPTION

1. Economic opportunities in urban areas attract large numbers of migrants from rural areas. Since independence in 1971, Bangladesh had been experiencing increased urbanization at a rate of 6% per year. An estimated 38 million people, or 27% of the total population, lived in urban areas in 2005. Despite significant progress in poverty reduction, 37% of the urban population lived below the poverty line in the 1990s.

2. Rapid urbanization had created growing demand for urban infrastructure and services. The development of urban infrastructure and service delivery had not kept pace with the rapid urbanization. Piped water was available in only one-third of pourashavas (secondary towns), typically only for 2-4 hours a day. Water quality was poor in many pourashavas, with high iron content or arsenic contamination. Except for a very limited system in Dhaka, no urban areas had sewerage systems. An estimated 40% of households resorted to open defecation or used unsanitary hanging latrines. Only 20% of solid waste was collected, and households dumped their solid waste directly into streets, public spaces, and drains. Drainage was underdeveloped and poorly maintained. During monsoon rains, roads and pathways become flooded, causing severe traffic congestion and risks to public health. As roads and bridges had insufficient capacity to meet the growing traffic volume, traffic jams in city centers limited access to economic opportunities and social services.

3. Urban governance was weak and lacked effective citizen participation, accountability, and financial management. Pourashavas were governed by an elected mayor and councilors. The mayor tended to dominate decision making on every aspect of pourashava management, with little responsiveness and accountability to the public. Citizens, in particular the poor and women, did not have effective avenues for influencing decision making. Pourashavas did not have the capacity to generate sufficient revenues and depended on budgetary transfers from the government for more than 50% of their revenues. The efficiency of collecting local taxes was very low. Between 2000 and 2002, only 29% of smaller pourashavas collected more than half of their estimated holding tax, which was their most important revenue source. Human resources were limited, with many staff untrained and many approved posts vacant.

4. Most pourashavas did not have a plan for land use or developing infrastructure. Given the weak governance, investment tended to be made in an unplanned and discretionary manner. Class A pourashavas had an urban planner in the approved organizational chart, but the position often had been long vacant.² The lack of proper urban planning led to the inefficient allocation of available funds, further stressing limited resources.

5. The Urban Governance and Infrastructure Improvement (Sector) Project II (UGIIP-II) continued the performance-based allocation of investment funds with the defined performance criteria for governance improvement pursued by first UGIIP (UGIIP-I).³ The performance criteria emphasized citizen participation, urban planning, and financial management as key areas for improvement. The project has three components:

- (i) Component A: urban infrastructure and service delivery, involving (a) development of municipal transport infrastructure, (b) construction and rehabilitation of drainage, (c) solid waste management, (d) water supply (rehabilitation and extension of distribution system and leak management), (e) sanitation (construction or repair of public or community

² Pourashavas are classified into classes A, B, and C, depending on population size and other factors.

³ ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance Grant to the People's Republic of Bangladesh for the Urban Governance and Infrastructure Improvement (Sector) Project*. Manila.

sanitary latrines and public awareness campaign), (f) construction or rehabilitation of municipal facilities (bus or truck terminals, street lighting, and parks), and (g) construction or rehabilitation of basic infrastructure in slums (water, sanitation, drainage, solid waste management, footpaths, and street lighting);

- (ii) Component B: governance improvement and capacity development (GICD), involving (a) enhancement of citizen awareness and participation, (b) improvement of urban planning, (c) enhancement of women's participation, (d) enhancement of participation of the urban poor, (e) improvement of accountability and sustainability of pourashava finance, and (f) improvement of administrative transparency and efficiency; and
- (iii) Component C: project management and implementation support, involving the establishment of an effective and operational project management system.

6. The project was parallel financed by Kreditanstalt für Wiederaufbau⁴ (KfW) and Gesellschaft für Technische Zusammenarbeit⁵ (GTZ). The updated design and monitoring framework of the project at completion is in Appendix 1.

II. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

7. The project design was relevant to the National Strategy for Accelerated Poverty Reduction (2005),⁶ which recognized the growing disparities in living standards in urban cities and considered it as an important policy concern. The strategy pursued mitigation of public health risks by improving access to water, sanitation, and adequate solid waste management; meeting the needs of basic urban services of both transient settlements and more stable poor neighbors; and better utilizing public urban land for community purposes and the needs of the poor. The project design supported the national reforms under which the government approved the new Pourashava Ordinance (2008), City Corporations Ordinance (2008), and Local Government Commission Ordinance (2008). The new Pourashava Ordinance replaced the 1977 ordinance and strengthened citizen participation and accountability in pourashavas. The Local Government Commission was the country's first permanent institution dedicated to policy guidance for local governments. It also supported the emerging nationwide institutional frameworks for urban development by designating the Local Government Engineering Department (LGED) as the executing agency and assisting in the establishment of a project management office in the LGED. The LGED traditionally supported infrastructure development in rural areas. It was strengthening its urban management wing with a newly created post of additional chief engineer to manage projects in urban areas. The project design was also in line with government plans⁷ for increasing local revenue and thereby reducing the pourashavas' dependence on annual allocations from the public funds. The performance-based allocation of investment funds was unique and encouraged good governance, which was badly needed.

8. The project design was consistent with the ADB country strategy,⁸ which focused on providing support for social development by facilitating access for the poor, women, and excluded

⁴ Reconstruction Credit Institute

⁵ German Agency for Technical Cooperation. On 1 January 2011, it was renamed Deutsche Gesellschaft für Internationale Zusammenarbeit, GmbH (German Society for International Cooperation, Ltd.), or GIZ.

⁶ General Economics Division, Planning Commission, Government of Bangladesh. 2005. *Unlocking the Potential. National Strategy for Accelerated Poverty Reduction*. Dhaka.

⁷ Government of Bangladesh. 2008. Pourashava Ordinance 2008, City Corporation Ordinance, and Local Government Commission Ordinance 2008. Dhaka.

⁸ ADB. 2005. *Country Strategy and Program 2006-2010, Bangladesh*. Manila.

groups and improving urban infrastructure, water supply, and sanitation, including in slums. The project objectives were good governance, decentralization, and strengthening of local government; improvement in local resource mobilization; improvement of planning and management capacity; and support for improving communities and the private sector in the planning and delivery of urban services. The project was included in country operations business plan, 2008–2010 for Bangladesh.⁹

9. The sector lending modality was appropriate for allocating funding based on governance performance, giving opportunities for citizens to discuss and agree on the priorities of infrastructure needed in their pourashavas, and accommodating the diverse needs of different pourashavas.

10. The design of the project considered women’s needs specifically. For example, separate toilets, waiting areas, and ticket counters were integrated into the design of bus terminals constructed under the project. Also, in designing the components on integrating citizen’s voices and participation into local governance systems, special attention was given to ensuring the effective participation of women councilors in the municipality governance forums. Furthermore, the development and implementation of a gender action plan (GAP) tailored to each pourashava ensured that gender was mainstreamed throughout the project activities.

11. The project was prepared under a technical assistance¹⁰ (TA) grant from ADB during December 2006–December 2007. The TA team reviewed and analyzed the experience and lesson learned, studied the monitoring reports, conducted case studies of successful and less successful pourashavas covered under the project, reviewed lessons learned from the World Bank–supported Municipal Services Project, and prepared a report on these findings that served as the basis for the design and formulation of the UGIIP II. The quality of the TA and the overall performance of the TA consultants were satisfactory.

B. Project Outputs

12. The project was implemented in three phases. Phase I started with 35 pourashavas, which were selected at the project preparation stage and included in the loan agreement. All 35 successfully achieved phase I performance criteria, proceeded to phase II, and were allocated partial investment funding for their approved subprojects. Also, at the end of phase II, 16 new pourashavas that met both project entry criteria and phase I criteria were added. At the end of phase II, the performance of the original 35 pourashavas was evaluated, and 31 were found to have achieved the phase II performance criteria. They were given the rest of the funding for completing their subprojects in phase III. Three pourashavas that could not qualify for phase II performance criteria, and 1 pourashava upgraded to city corporation did not get further funding in phase III. The 16 added pourashavas also received fund allocations in accordance with their performance on the phase II criteria. The initial criteria for selecting pourashavas, phase I and II performance criteria, and actual funding allocation appear in Appendix 2.

⁹ ADB. 2007. *Country Operations Business Plan: Bangladesh, 2008-2010*. Manila

¹⁰ The Technical Assistance Grant (Project No 40559, PPTA no. 4863-BAN) from ADB for \$880,000 included \$600,000 from the Japan Special Fund as a grant, \$100,000 equivalent from the Cooperation Fund for the Water Sector, and the remaining \$180,000 as equivalent from the Government of the People’s Republic of Bangladesh. Under the TA, two international consultants were recruited for 9 person-months and seven national consultants for 25 person-months through an international firm using the quality- and cost-based selection method, in accordance with ADB’s *Guideline on Use of Consultants*.

Component A: Urban Infrastructure and Services Delivery

13. The outputs are summarized in Table 1.

Table 1: Outputs under Component A – Urban Infrastructure and Service Delivery

Result Area	Output Item Delivered	Number of pourashavas
Municipal transport	876.93 km of roads rehabilitated, 96.74 km of roads repaired, 12.91 km of roads widened, and 97.02 km of new roads constructed	47
	4.431 km of road dividers constructed	3
	39 m of bridges constructed	2
	313 m of culverts built	15
	4 riverboat landings built	2
	208 pieces of traffic equipment procured	35
	Drainage	Drainage master plans prepared
19.44 km of drains rehabilitated		40
111.37 km of drains constructed		40
Solid waste management (SWM)	73 transfer stations constructed	12
	2 solid waste recycling plants constructed	2
	146 dustbins provided	3
	5 dumping grounds or landfill sites improved	5
Water supply	30.44 km of pipes provided	4
	9 production tube wells constructed	5
	177 hand tube wells constructed	5
Sanitation	56 public latrines constructed	19
Municipal facilities	3 bus and 1 truck terminals constructed	4
	2 parks in 2 pourashavas, and 10 parking areas constructed	4
	5,353 light points and 461 electricity poles constructed	8
	23 kitchen markets improved	15
	4 municipal markets improved	4
	11 slaughterhouses constructed	9
	6 landscaping sites developed	4
	4 community centers constructed	4
Basic services in slums	195 slums improved	27
	58.44 km of footpaths, 26 km of drains, 4,644 community toilets, 937 hand tube wells, 690 m of water supply pipelines, and 189 dustbins provided	27
	367 streetlights provided	27

Note: In terms of the ADB Results Framework, the project contributed to the following indicators: (i) 1,083.60 km of roads built or upgraded, (ii) 34.44 km of water supply pipes installed or upgraded, and (iii) 4,644 households with new sanitation, all compared with initial targets of 0 per km or number.

Output B: Governance Improvement and Capacity Development

14. The outputs are summarized in Table 2.

Table 2: Outputs under Component B – Governance Improvement and Capacity Development

Result Area	Output Item Delivered	Output Item Delivered
Enhanced citizen awareness and participation	47 TLCCs and 528 WLCCs formed	47
	Citizen report cards introduced	47
	Grievance redress cell established	47
Improved urban planning	Urban planner recruited in class A pourashavas	27
	Pourashava development plans prepared	47
	Base maps and land use plans prepared	35
	Annual operations and maintenance plans implemented	35
Enhanced women's participation	TLCCs with 859 and WLCCs with 1,928 women members established	47
	Project GAP implemented	47
	Gender committees established	47
Enhanced participation of the urban poor	TLCCs with 1,022 poor and WLCCs with 382 poor members established	47
	Poverty reduction action plans prepared and implemented	35
	SICs established	27
Improved accountability and sustainability of pourashava finance	Interim holding tax assessed	35
	Tax records computerized	47
	Holding tax increased by at least 10% each year	35
	Debts fully repaid each year	31
Improved administrative transparency and efficiency	Organizational development plans developed	35
	Quarterly reports prepared throughout the project by pourashavas	47

GAP = gender action plan, SIC = slum improvement committee, TLCC = town-level coordination committee, WLCC = ward-level coordination committee.

15. Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), one of the parallel financiers of the project, provided in-kind grant assistance to engage experts for governance program development (GPD) and technical cooperation to enhance the urban reform initiatives. Experts in GPD assisted the Urban Management Support Unit (UMSU) and the Project Management Office (PMO) of the LGED in refining and expanding training modules used by the UMSU and the PMO for capacity development in governance improvement. GTZ also engaged five consultants in each of four regional UMSUs to support them in implementing standard training modules in pourashavas. The modules addressed (i) computerization of tax records, (ii) computerization of accounting, (iii) inventory and mapping of infrastructure, and (iv) community mobilization. A summary of training supported by GIZ is in Appendix 3.

16. All 47 selected pourashavas implemented the project's GAP. The status of GAP implementation is in Appendix 4. Enhancement of the participation of the poor in the project was ensured through adequate representation of poor citizens in the town-level coordination committees (TLCCs), ward-level coordination committees (WLCCs), and the slum improvement committees (SICs) of 195 slums, as described in Appendix 5.

Component C: Project Management and Implementation Support

17. The project established a PMO in the LGED and a project implementation unit (PIU) in each pourashava. It supported the PMO and PIUs in implementing GICD, including (i) recruitment of urban planners; (ii) establishment of TLCCs, WLCCs, SICs, and community-based organizations (CBOs) with proper representation of appropriate stakeholders; (iii) support of the UMSU and municipal performance review committee (MPRC); (iv) recruitment of project manpower and consultants; (v) procurement of works for 500 packages for building urban infrastructure; and (vi) preparation of all periodic reports.

C. Project Costs

18. At appraisal, the project cost was estimated at \$167.50 million, including taxes and duties. At completion, the project cost stood at \$168.41 million. The cost increase is insignificant and negligible. A summary comparison of the costs at appraisal and completion appears in Table 3 and a detailed comparison in Appendix 6.

Table 3: Project Costs at Appraisal and at Completion
(\$ million)

Item	At Appraisal	At Completion
1. Basic urban infrastructure and service delivery	117.70	132.95
2. Governance improvement and capacity development	9.90	13.43
3. Project management and implementation support	14.50	15.32
4. Tax and duties	10.70	4.95
5. Physical contingencies	7.80	0.00
6. Price contingencies	4.00	0.00
7. Financing charges during implementation	2.90	1.76
Total	167.50	168.41

Source: Asian Development Bank estimates and LGED Project Completion Report.

19. At appraisal, ADB would finance 51.90% of the project cost, the largest share, followed by KfW (21.60%), the Government of Bangladesh (18.90%), pourashavas (4.40%), and GTZ (2.80%). At completion, ADB financed 48.92%; KfW, 21.47%; GTZ, 5.05%; the Government of Bangladesh, 19.81%; and pourashavas, 4.33%. The KfW grant financed improvements in urban infrastructure in 12 pourashavas. The GTZ funding helped improve governance and develop capacity in all 47 project pourashavas. The planned versus actual project financing is summarized in Table 4.

Table 4: Project Financing Planned versus Actual
(\$ million)

Source	Planned		Actual	
	Amount	Share of Total (%)	Amount	Share of Total (%)
Asian Development Bank	87.00	51.90	82.39	48.92
GTZ	4.70	2.80	8.5	5.05
KfW	36.10	21.60	36.16	21.47
Government of Bangladesh	31.70	18.90	33.36	19.81
Pourashavas	7.30	4.40	7.30	4.33
Beneficiaries	0.70	0.40	0.70	0.42
Total	167.50	100.00	168.41	100.00

Source: Asian Development Bank estimates and LGED Project Completion Report.

D. Disbursements

20. For the ADB loan, the imprest account and the second and third generations of the imprest account were timely opened and operated by the respective pourashavas in accordance with the loan agreement. ADB processed 150 withdrawal applications from the LGED through statements of expenditure, and disbursement was made under ADB's imprest account (84.8%), direct payment (1.5%), reimbursement (2.3%), and commitment letter (9.3%) procedures. The original amount decreased from \$87.00 million to \$83.69 million due to exchange rate losses. At completion, \$82.39 million had been disbursed, and the balance of \$1.299 million was canceled on 9 October 2016. The disbursement procedures were in accordance with the Loan Disbursement Handbook (2012) (as amended from time to time). A comparison of the actual disbursement with the projections is in Appendix 7. The KfW and GIZ grant funds were parallel financing and were administered by KfW and GTZ.

E. Project Schedule

21. The project was carried out in three phases over a period of 6.5 years from 2009 to 30 June 2015, 6 months longer than envisaged, which was also approved by the Government of Bangladesh.¹¹ The ADB loan was signed 1 week after approval and made effective 3 months afterward. The project experienced initial delays in recruiting and fielding consultants for management design and supervision (MDS) and for GICD. Some civil works contractors also took additional time during implementation. Such delays were gradually adjusted through efficient project management by PMO. Financial closure of the project, however, took much longer time (16 months after the physical completion) until one outstanding audit observation was resolved in May 2016 and reconciliation of receipts of funds from ADB (as per project financial statements) against ADB's disbursement record was done in October 2016. The chronological events are in Appendix 8, and the implementation schedule planned versus actual is in Appendix 9.

F. Implementation Arrangements

22. The project was implemented without any change in implementation arrangement envisaged at appraisal. LGED was the executing agency under the supervision of the Local Government Division of the Ministry of Local Government, Rural Development, and Cooperatives. A PMO was established in the Urban Management wing of LGED, and 47 PIUs were set up, one in each of the 47 target pourashavas, as advance actions prior to starting of the project. The inter-ministerial steering committee of the previous project (UGIIP-I) was expanded with inclusion of one representative from the Department of Environment chaired by the Secretary, Local Government Division. The inter-ministerial steering committee met eight times during the project period and provided necessary guidance.

23. The MPRC transparently and fairly carried out performance-based assessment of the target pourashavas and independently rated each pourashava to make them eligible for the project fund allocations. MPRC was chaired by the Secretary, LGD. An UMSU was set up in the LGED that provided standard training modules to pourashavas in close coordination with the PMO. UMSU functioned as the secretariat of the MPRC in assessing the performance of pourashavas.

24. The PIUs implemented the project with the guidance of PMO and assistance from MDS and GICD consultants. PIU was headed by the respective Mayor of each pourashava. Each PIU comprised of three sections: (i) infrastructure improvement section headed by pourashava

¹¹ Per revised development project proforma approved on 11 December 2014.

executive engineer, (ii) urban governance improvement section headed by pourashava secretary, and (iii) environment, sanitation, and slum section headed by pourashava health officer. PIUs implemented governance improvement; procured and implemented physical works; ensured safeguards compliances; and prepared annual work plans and progress reports. Such three-tier implementation arrangement was adequate to deliver the project outputs and achieve project objective efficiently and effectively.

G. Conditions and Covenants

25. All major loan covenants except approval of the Urban Sector Policy were complied with. Demonstration of practice of citizens' participation in development activities, enhancing pourashava's own resources and its better utilization, etc. encouraged the government to adopt the draft policy. The Urban Sector Policy is still awaiting government approval, due to the lengthy stakeholder consultation process. This covenant was included in the ongoing UGIIP-III, and the compliance is being monitored. The status of compliance with the loan covenants is in Appendix 10.

H. Consultant Recruitment and Procurement

a. Consultant Recruitment

26. Consultant recruitment started as an advance action in August 2008. Of 4,974 person-months (pm) planned at appraisal, 4,473.98 were contracted out and 4,469.98 were used. The major reduction of about 504 pm was for the MDS consulting services. The GICD services also engaged about 21 pm fewer, while the GPD services increased by 28 pm. Consulting services for the technical audit were not envisaged at appraisal; KfW added 18 pm for this during the project implementation. The planned and actual use of the consulting service is in Appendix 11. All the consultants were recruited centrally by the PMO following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The two major international consulting packages (MDS and GICD) were recruited following quality- and cost-based selection with technical and financial weights of 80:20, and the remaining consultants were selected on an individual basis using Bio-data Technical Proposal, as stated in the procurement plan.

27. The packaging of the consultant services was appropriate, considering the diversified nature of services required for a sector project. There was no difficulty in recruiting for and utilizing most of the consulting services except for long delays of 635 days and 564 days in recruiting the MDS and GICD consulting services, respectively, owing to lengthy approvals at various stages (Appendix 8). For MDS services, the LGED took 88 days from the date of advertisement to shortlist the firms and finalize the Request for Proposal (RFP, Submission 1), 104 days to address ADB's comments and resubmit the revised Technical Evaluation Report and additional documents, and 65 days to sign the contract after ADB approval. ADB took 44 days to approve submission 1 and 38 days to approve submission 3 (financial evaluation and final ranking). Similarly, for the GICD services, the LGED took 113 days to shortlist the firms and finalize the RPF, 91 days from the issuance of the RFP to open the Technical Proposal, and 143 days to sign the contract after the approval of ADB.

b. Procurement

28. Given the nature of the sector project, the initial procurement plan was broad and flexible. During implementation, the PMO centrally procured 33 contracts for various types of office equipment, furniture, vehicles, and construction equipment for all pourashavas and the PMO itself,

of which 12 contracts followed ADB's international competitive bidding (ICB) procedure, and 21 the national competitive bidding (NCB) procedure, between March 2009 and June 2014. Procurement of the goods started in March 2009 and ended in June 2014. It generally took 8 months for ICB and 4 months for NCB. The chronology of the major procurements are in Appendix 8, and the detailed list of all office equipment, vehicles, and construction equipment are in Appendix 11.

29. For civil works, in total, 500 contracts were procured as follows: (i) urban transport, 327; (ii) drainage, 57; (iii) water supply, 9; (iv) sanitation, 18; (v) municipal facilities, 42; (vi) solid waste management, 18; and (vii) slum improvement, 29 packages. All civil works contracts were tendered, evaluated, and awarded by the respective pourashavas. All 533 packages of works and goods were evaluated by ADB as a prior review. Contracts were awarded following the procedures under NCB acceptable to ADB. ADB received the bidding document for the first batch of works (six packages) in March 2011, and the contracts were awarded in July 2011, instead of in September 2010, as projected. As indicated in Appendix 8, the time that pourashavas took for the procurement of civil works varied widely, from 6 to 9 months. All contracts were completed by May 2015, 5 months later than expected. The contract awards, projected versus actual, are in Appendix 7. The list of major contracts¹² financed by ADB is in Appendix 12. In 500 civil works packages, there was no contract variation. There was no cancelation of bids or rebidding due to misprocurement.

I. Performance of Consultants, Contractors, and Suppliers

30. **Consultants:** The international consulting firm and their local associates for MDS and GICD services provided 3,739.98 pm of services, 550.02 pm less than envisaged at appraisal.¹³ The MDS consultants, headed by one international team leader, supported PIUs in engineering design, bidding, and quality control supervision of physical works; oversaw safeguard measures for the environment and resettlement; provided capacity development and facilitation of urban planning, municipal finance, and community mobilization; and contributed to timely implementation of the project and delivery of results. Their overall performance was *satisfactory*. The consultants engaged for GPD, performance monitoring and evaluation, and support to the UMSU also performed satisfactorily and played a critical role in the capacity development of the PMO and PIUs and other stakeholders.

31. **Contractors:** Completion of civil works experienced some delays, mainly owing to the prevailing political unrest and strikes, weather conditions, and fluctuation in the cost of construction materials. Performance of the large number of local contractors engaged under the project was *generally satisfactory*, and there were no major difficulties in managing the contractors. There was no cancelation of contracts for contractor failure, and the overall quality of civil works was generally satisfactory.

32. **Suppliers:** The performance of the supplier of vehicles, office equipment, and construction equipment procured under both the ADB loan and the KfW grant was *generally satisfactory* and occurred with no major difficulty. The international suppliers were of good reputation, and their goods were tested, verified, and found to be of good quality and high standard.

¹² Contracts valued over \$0.5 million.

¹³ During contract negotiations, the inputs of the MDS and GICD consultants were reduced compared with the RRP estimate owing to budget constraints.

J. Performance of the Borrower and the Executing Agency

33. The borrower (the Ministry of Local Government, Rural Development, and Cooperatives) performed *satisfactorily* and provided necessary policy supports and guidance, including prompt approvals needed by the executing agency, mainly for (i) selection of target pourashavas, (ii) procurement of goods and services, (iii) performance evaluation and rating of the selected pourashavas, and (iv) provision of counterpart funds. It also complied with most of the agreed loan covenants.

34. The executing agency (the LGED) performed *satisfactorily*. It coordinated efficiently with the parallel financiers and supported the participating pourashavas, particularly for (i) establishing and managing urban governance reforms; (ii) conducting urban planning, including preparation of urban development plan with participation of city dwellers; (iii) forming and managing TLCCs, WLCCs, CBOs, slum development committees, and urban poverty reduction committees to develop urban facilities; (iv) procuring civil works through national competitive bidding procedures following ADB and government guidelines, (v) managing the funds, and (vi) reporting on time and ensuring compliance with all agreed loan covenants. It ensured digitization in the PMO and supported target pourashavas in reforming accounts, assessing and collecting tax revenue, increasing participation of women and the poor, and paying attention to gender, environment, and public participation in planning and management. It developed the capacity of the pourashavas by arranging cross-learning visits and experience-sharing events for the pourashavas.

K. Performance of the Asian Development Bank and Cofinancier

35. The performance of ADB was *satisfactory*. ADB continued with the model of performance-based allocation of development funds to the participating pourashavas that served as one of the keys to successful implementation of the project. It efficiently processed submissions of the borrower and the executing agency related to procurement of goods and works, provided timely guidance, and supported the executing agency with disbursement of 150 withdrawal applications and liquidation of the advances. The performance of KfW and GIZ as parallel financiers was *generally satisfactory*. KfW processed 24 withdrawal applications to disburse its grant part, regularly attended joint loan review missions and audit exit meetings, and contributed adequately in the joint review.

III. EVALUATION OF PERFORMANCE

A. Relevance

36. The project is rated *relevant* at approval and completion. The design and formulation was consistent with the National Strategy for Accelerated Poverty Reduction (2005) of the government and the ADB Country Strategy and Program (2006–2010). The project was undertaken at a time when the target pourashavas and their citizens suffered from critical shortages of urban infrastructure. It improved urban facilities and services, improved the level of urban governance and the capacity of pourashavas, and enhanced the financial capability of those pourashavas that gained greater revenue income. The project was implemented as designed, with no changes in scope. The sector lending modality was suitable, as subprojects for physical infrastructure depended on governance performance and had to be identified jointly by citizens. The seven results areas were appropriate in achieving the intended outcome of developing the urban sector. The sample and subsequently selected subprojects followed the prescribed selection criteria and were relevant to achieving the intended outcome. The number of subprojects pursued was realistic, and the locations were appropriate, as they were selected by the citizens of the

respective pourashavas within the available fund allocation. The project concept remained aligned with the objectives and strategies of the pourashavas and city corporations, mentioned in the 7th Five Year Plan of the government.¹⁴ The project design was also found consistent with the ADB Country Partnership Strategy, 2016–2020 for Bangladesh.¹⁵

B. Effectiveness in Achieving Outcome

37. The project is rated as *effective*, as all major outcome indicators were achieved. Traffic congestion decreased, and access to economic opportunities and social services improved in 47 pourashavas, against the target of 30. The average travel time from households to city centers declined from 12.38 minutes to 5.2 minutes because of the improvement of municipal transport facilities. The drainage structures were well maintained and are functioning in 40 pourashavas, more than the initial target of 30. The aggregate length of drains per pourashava increased from 2,193 to 2,324 km, and the average length of drains maintained per pourashava increased from 37 to 60 km. The number of households affected each year by flooding during monsoon declined significantly from 3,678 to 36 because of improvement of drainage systems. Coverage of solid waste management increased from 382 square kilometers to 458 in 15 sample pourashavas. Piped water supply increased from 2,670 to 3,777 km, and the availability of water supply increased from 6–8 hours to 12–13 hours per day. Access to sanitation increased from baseline area coverage of 62.3% to 87.0% per pourashava at project completion. Access to municipal facilities such as markets, bus and truck terminals, and parks expanded as the average numbers of users per pourashava increased: kitchen market users, from 22,202 to 37,479; bus terminal users, from 13,176 to 13,683; and users of municipality parks, from 1,064 to 2,150. In 195 slums, access to safe water supply expanded from 18.4% of households to 37.5%, and coverage of sanitation increased from 39.8% to 75.0%.

38. The project also improved urban governance in all target pourashavas. The first batch of 35 target pourashavas met the UGIAP phase I performance criteria by 30 June 2010; the set timeline was August 2010. Some 21 pourashavas funded by ADB and 10 funded by KfW met UGIAP phase II performance criteria by 30 June 2012 as “fully satisfactory” and “satisfactory”, respectively, ahead of the target timeline of August 2012. Furthermore, 16 new pourashavas—the target was 15—met UGIAP phase I performance criteria by the target timeline of August 2012. The performance-based fund allocation approach, as detailed in Appendix 2, ensured the capacity of the pourashavas to properly implement the activities of phases II and III and motivated them to perform better, which had a positive impact on effectiveness and efficiency in achieving the outcomes and outputs of the project.

39. The project was category B for all three safeguards on environment, involuntary resettlement, and indigenous peoples. There was no serious issue related to involuntary resettlement and environmental safeguards, as the physical and economic displacement of the nominal number of people affected by the project in 10 pourashavas was properly addressed through the implementation of 18 short resettlement plans, and the nominal construction hazards were mitigated through subproject-level environmental management plans. The short resettlement plans were adequate to mitigate the impacts of involuntary resettlement, disclosed to the stakeholders and implemented in time so that all people affected by the project were properly compensated and not made worse off. The safeguards monitoring reports were adequate and submitted timely. No planning document for indigenous peoples was required as no

¹⁴ General Economics Division, Planning Commission, Government of Bangladesh. 2015. *Seventh Five Year Plan FY2016 – FY2020- Accelerating Growth, Empowering Citizens*. Dhaka.

¹⁵ ADB. 2016. *Country Partnership Strategy: Bangladesh, 2016–2020*. Manila.

community of indigenous peoples was detected in the urban area under the project. The pourashava-tailored GAPs were implemented by the gender committee, TLCC, and WLCC of the respective pourashavas without the help of any nongovernment organization (NGO). The project GAP was effective in achieving the outcome for active participation by and empowerment of women.

C. Efficiency in Achieving Outcome and Outputs

40. The project is rated as *efficient* in achieving the outcome and outputs. Given the governance challenges and the challenges related to the selection of pourashavas, the contracting and implementation of 533 contracts for goods and works, and performance evaluation, completing the project during a period of six years and a half is *efficient*. The economic viability of the project was re-evaluated (Appendix 13) following the same approach and methodology used at appraisal. The economic rate of return (EIRR) computed for the overall project stood at 22.7%, higher than the ADB hurdle rate of 12%. The project's physical completion date was extended by only six months to utilize the uncommitted loan balance for some civil works. The sensitivity analysis showed that the returns are sustainable even under adverse conditions such as an increase in operation and maintenance (O&M) costs and a decrease in revenue earnings from (i) savings in travel time and vehicle operating cost, (ii) issuance of trade licenses, (iii) rental charges from markets and bus and truck terminals, etc.

D. Preliminary Assessment of Sustainability

41. The project is rated *likely sustainable*. All 47 pourashavas achieved considerable positive institutional and organizational changes through project-supported reforms in taxation (assessment, billing, and collection), enhancement of public participation and consultation related to pourashava planning and development, staff skill development and capacity building, strengthening of the capacity of service deliverers, improved financial management, and overall sustainable improvement of financial capability in meeting budgetary requirements and payment of past debts.

42. The sustainability of the project largely depends on the continuing improvement of governance in the pourashavas and on proper maintenance of urban infrastructure from pourashavas' revenue and incomes. Financial reevaluation of the project indicates that almost all project interventions—such as construction of roads, footpaths, bridges, and drains; sanitation; solid waste management; and park management—are non-revenue-generating items. The project helped the targeted 47 pourashavas expand the holding and non-holding tax revenue base from 30–40% (very low) to 200%, and improve the collection efficiency from as low as 40–50% to more than 80%. All 47 pourashavas were able to maintain 10% annual growth in non-tax revenue and had sufficient funds to cover the O&M costs of the project facilities. This positive trend continued up to the end of the project. The increased tax base and actual collection in successive years demonstrates the sustainability of progressive increases in revenue generation. At the time of preparation of the project completion report, the positive trend of income generation, internal fund allocation for development works, and expenditures, including O&M allocations, indicated the likelihood of the project's sustainability. The financial sustainability of the pourashavas is discussed in detail in Appendix 14.

E. Impact

43. The project impact is *satisfactory*. The project reduced poverty through significant generation of employment and increased economic activities relating to construction,

rehabilitation, and repair of urban infrastructure, and services delivery systems, during project implementation, as well as for regular O&M works, including road repair and cleaning of drains; expanded marketing and commercial activities; and improved urban transportation, all to be continued after the project. With the improved governance, urban infrastructure facilities, and service delivery, the value of residential lands per decimal (1/100 of an acre) increased by 70.2% from Tk309,000 before the project to Tk526,000 after the project, while the value of commercial lands per decimal increased by 62.5%, from Tk593,800 to Tk965,000. The average annual household income increased by 65.5%, from Tk116,110 to Tk192,206, and the average annual income of slum-dweller households increased by about 156%, from Tk44,320 to Tk113,352 after the project intervention. The level of citizen satisfaction rose substantially. Before the project, 22.4%, 62.8%, and 14.8% of citizens were highly satisfied, satisfied, and not satisfied, respectively, with the urban infrastructure and services delivery and the level of governance. After the project, 37.9%, 57.7%, and 4.4% of citizens were highly satisfied, satisfied, and not satisfied.

44. The project was likely to have environmental impacts less adverse than those of a category A project, and an Environmental Assessment and Review Procedure (EARP) was developed for selecting and implementing the subprojects on road improvement, water supply and sanitation, solid waste management, drainage network, and municipal facilities. Six environmental impact assessments (EIAs) and 498 initial environmental examinations (IEEs) were prepared during the two phases of implementation by 16 environmental and social safeguard experts, to comply with ADB Safeguards Policy Statement (SPS), 2009 and Bangladesh Environmental Conservation Rules, 1997. No significant, irreversible, adverse impacts on the environment were identified by the EIAs and IEEs, and semiannual environment monitoring reports were prepared and disclosed in a timely manner.

45. As a result of the environmental due diligence, the alignment of roads and drains and the locations of solid waste disposal sites were changed, and all tenders for incinerators were canceled. Tree plantation along the roads and around the markets was the common environmental mitigation and enhancement measure implemented. The environmental impact analysis of the project is in Appendix 15.

46. The project also included involuntary resettlement impacts that were not deemed significant. A resettlement framework was prepared during project preparation in 2009 and was revised and disclosed in January 2011. The framework was prepared to mitigate anticipated impacts on land acquisition and resettlement, mainly for construction of solid waste landfills, installation of new drains, and widening of roads. During implementation, 18 short resettlement plans were prepared. To minimize land acquisition and resettlement impact, the LGED adopted measures such as requiring community consensus on the location of community facilities. Monitoring reports by the safeguard team in the project have been submitted and disclosed biannually.

47. Of 30.682 acres proposed for land acquisition in 14 pourashavas, 24.792 acres of private land were finally acquired from 47 people affected by the project in 10 pourashavas. The subprojects of the remaining 4 pourashavas were dropped. None of the people were significantly affected, according to the definition of ADB SPS 2009. Resettlement impacts were mainly for the loss of 661 trees and the shifting of temporary boundary walls and shops. A total of 772 households were affected by the loss of 661 trees and the temporary shifting of shops and walls. The impacts on livelihoods were not significant. The budget for land acquisition and resettlement was Tk200,213,491, of which Tk180,748,721 had been paid out. The rest of the budget was not required, as many affected people voluntarily removed trees from government land and temporarily shifted structures voluntarily. In such cases, the written consent of the affected people

or community was obtained and documented by the respective pourashava officials. All 47 pourashavas had grievance redress committees headed by their mayors. There are no unresolved grievances for the project. Land acquisition and resettlement activities were completed by May 2015, in complete compliance with the resettlement framework. It has been verified that all the affected households have restored their pre-project living conditions. The land acquisition and resettlement impact assessment is in Appendix 5.

48. The project was also likely to have limited impacts on indigenous peoples. An Indigenous Peoples Planning Framework was, therefore, prepared and disclosed in 2009 in compliance with ADB's Indigenous Peoples Policy (1998). During implementation, all the subprojects were in urban areas, and no impacts on indigenous peoples were identified.

49. **Other social and gender impacts.** Whereas the Standing Committee, TLCC, and WLCC for each pourashava fulfilled the quota for women members, the significant achievement was not in the numbers but in the active and effective participation of women members in these committees. The women members of the TLCCs now have the skills and confidence to take on stronger leadership within TLCCs and in their communities. They are going beyond the committee's jurisdiction and actively participating in overall pourashava development activities and ensuring that women's issues and needs are well addressed. It was observed that women's role in the target pourashavas has gradually migrated into better positions in their families' decision-making process. They have participated in financial decisions in the family, such as where and how to invest their savings. In the project intervention areas, the presence of women in public places is more visible. Women's participation in some activities, such as weekly markets as buyers and sellers, and political rallies and advocacy campaigns, was noticeable in the targeted pourashavas.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

50. The project is rated *successful*. The project design and formulation was *relevant* to the national strategy for poverty reduction and to ADB's country assistance program, which supported facilitation of access for the poor, women, and excluded groups and improvement of urban infrastructure, including in slums. The sector lending modality provided flexibility to accommodate the needs of each pourashava and allowed easy entry and exit of pourashavas. Performance-based allocation of the investment funding has sent strong messages to pourashavas about what good governance means and motivated pourashavas to improve their governance.

51. The project was implemented as conceived. No major change was made to the project design and implementation arrangements. The project was *effective* in achieving the intended outputs and outcomes and has contributed to increased urban income, employment, and land value, and a rise in citizen satisfaction with the urban environment, municipal services, and quality of life in 47 pourashavas. Through the performance-based fund allocation, the project has helped (i) improve holding and non-holding tax assessment and collection, including payment of overdue receipts of the pourashavas; (ii) improve urban planning and budgeting; (iii) computerize taxation and accounting systems; (iv) pay past debts and update the payment of staff salary from revenue income; (v) reduce dependence on public allocations; (vi) improve urban infrastructure and services delivery, ensuring a better environment; (vii) improve water supply and sanitation and waste disposal; and (viii) increase participation of the women and the poor in urban planning and development. The project was *efficient* in terms of both implementation process and economic benefits, as well as environmental safeguards, land acquisition and resettlement, and gender

mainstreaming. The project is also *likely sustainable* with the ongoing reforms to further improve institutions and taxation which will result in better maintenance of project outputs and outcome.

B. Lessons

52. Allocation of investment funds on the basis of governance performance is an effective approach to introduce good policies and practices at local levels without much controversy and motivate local governments to improve public services.

53. Reinforced cement concrete structures are considered more sustainable compared to bituminous paving in secondary towns, particularly in coastal and flood prone areas for road construction.

54. Having time-bound activities in different phases of implementation and strong monitoring at all levels are keys to successful implementation of a complex, multicomponent project. Involving citizens in pourashava planning and development helps establish transparent decision making and improve the quality of works.

55. Project readiness is highly essential for efficient project implementation. Procurement and implementation of the subprojects in phases II and III went quickly, as the designs were prepared by MDS consultants in the previous phases.

C. Recommendations

1. Project Related

56. **Future Monitoring:** The LGED should continue to (i) pursue the National Urban Policy and update ADB every six months, (ii) monitor project benefits, and (iii) evaluate the project impact 3 years after completion. It should monitor and ensure that the 47 pourashavas undertake routine and periodic maintenance of the urban infrastructure established under the project. All pourashavas should endeavor to generate enough O&M funds each year to ensure timely repair and maintenance.

57. **Further action or follow-up:** The LGD should review the sustainability of governance improvement in 47 pourashavas and continue with efforts to develop capacity, including tax assessment and collection, and improve slums, and should allocate necessary funds for O&M on a needs basis.

58. The LGED/LGD should monitor whether the drains that were constructed, rehabilitated, and repaired are cleaned regularly by the respective pourashavas and should motivate citizens to avoid indiscriminate dumping of waste into the drain instead of the dustbins.

59. **Timing of the Program Performance Evaluation Report:** The project is a sector loan. To conduct a meaningful reassessment of the project impacts and benefits, the program performance evaluation report should be programmed for 2021.

2. General

60. The government may want to look into the experience of the project and explore the feasibility of allocating its resources on the basis of the performance of pourashavas in terms of governance and other indicators.

UPDATED PROJECT DESIGN MONITORING FRAMEWORK AT PROJECT COMPLETION

Design Summary	Performance Targets and Indicators	Achievement
Impact		
Sustained improvement in the urban environment and quality of life	Improved citizen's perception of urban environment, municipal services, and quality of life in all target pourashavas by 2015 Baseline status: ¹ Level of citizen satisfaction Highly satisfactory - 22.4% Satisfactory - 62.8% Not satisfactory - 14.8%	Achieved in 47 pourashavas by 2015 End-line status: ² 37.9% 57.7% 4.4%
	Increased income, employment, and land value in all target pourashavas by 2015 Baseline status: Average land value (Tk/decimal) Commercial area - 593,800 Residential area - 309,000 Average annual household income (Tk) Slum households - 44,320 General households -116,110	Achieved in 47 pourashavas by 2015 End-line status: 965,000 526,000 113,352 192,206
Outcome		
Expanded access to and usage of urban infrastructure and services, and improvement in urban governance	Municipal Transport Traffic congestion decreased and access to economic opportunities and social services improved in 30 pourashavas by 2015 Baseline status: Average travel time (home to city center) - 12.38 minute Number of vehicles on the project roads/day - 229 Average number of trade licenses/pourashava - 3,994	Achieved in 47 pourashavas by 2015 End-line status: 5.20 356 6,283
	Drainage Drainage well maintained and functioning in 30 pourashavas by 2015 Baseline status: Aggregate length of drains/pourashava - 2,194 km Average length of drains maintained/pourashava - 37 km Average number of households/pourashava affected by flood - 3,678	Achieved in 40 pourashavas by 2015 End-line status: 2,324 km 60 km 36

¹ As this was a sector lending project, the DMF had no target for urban facilities and services. These targets were set during project implementation.

² Taken from Benefit Monitoring and Evaluation Reports and end-line surveys conducted by the executing agency.

Design Summary	Performance Targets and Indicators	Achievement
	Solid Waste Management Solid waste well managed in 15 pourashavas by 2015 Baseline status: SWM area coverage - 381.8 sq km Collection efficiency - 48.3%	Achieved in 26 pourashavas by 2015 End-line status: 458.8 sq km 60%
	Water Supply Access to water improved in 9 pourashavas by 2015 Baseline status: Coverage area - 42% Average piped water supply connections/pourashava - 2,670 Average supply - 6–8 hours/day	Achieved in 10 pourashavas by 2015 End-line status: 43% 3,777 9–10 hours/day
	Sanitation Access to safe sanitation improved in 10 pourashavas by 2015 Baseline status: Sanitation area coverage - 62.3%	Achieved in 19 pourashavas by 2015 End-line status: 87%
	Municipal Facilities Availability of municipal facilities (markets, bus terminals, and parks) improved in 25 pourashavas by 2015 Baseline status: Number of kitchen markets improved - 133 Average kitchen market users/pourashava - 22,202 Average bus terminal users/pourashava - 13,176 Average users of municipality parks/pourashava - 1,064	Achieved in 30 pourashavas by 2015 End-line status: 156 37,479 13,683 2,150
	Basic Services in Slums 60% of residents in target slums have access to improved basic services in all target pourashavas by 2015 Baseline status: Access to water supply facilities (average) - 18.37% Available sanitation services (average) - 39.77%	Achieved in 27 pourashavas by 2015 End-line status: 75–85% 75–85%
	Governance 35 pourashavas clear UGIAP phase I performance criteria by August 2010	Achieved in 35 pourashavas by August 2010
	20 pourashavas assessed as “fully satisfactory” on UGIAP phase II performance criteria in August 2012	Achieved in 31 pourashavas by August 2012
	10 pourashavas assessed as “satisfactory” on UGIAP phase II performance criteria in August 2012	Achieved in 31 pourashavas by August 2012
	15 new pourashavas clear UGIAP phase 1 performance criteria by August 2012	Achieved in 16 (new) pourashavas by August 2012

Design Summary	Performance Targets and Indicators	Achievement
Outputs Component A: Urban Infrastructure and Service Delivery		
Developed infrastructure and improved service delivery	Municipal Transport	
	Road and other transport infrastructure developed in 20 pourashavas	Achieved in 47 pourashavas
	Baseline status: Road (new/extension) - target not set Road rehabilitated/repared - target not set	End-line status: 110.88 km 973.67 km
	O&M and traffic management equipment procured in 15 pourashavas	Achieved in 35 pourashavas
	Baseline status: O&M equipment procured - target not set	End-line status: 35
	Drainage	
	Drainage master plans prepared in 20 pourashavas	Achieved in 35 pourashavas
Developed infrastructure and improved service delivery	Existing drains rehabilitated in 15 pourashavas	Achieved in 40 pourashavas
	Baseline status: Target not set	End-line status: 19.44 km
	New drains constructed in 10 pourashavas	Achieved in 40 pourashavas
	Baseline status: Target not set	End-line status: 110.65 km
	Solid Waste Management	
	A system established to collect and dispose of solid waste in 15 pourashavas	Achieved in 16 pourashavas
	Baseline status: Number of transfer stations - target not set Number of solid waste recycling plant - target not set Number of dustbins - target not set Number of landfill sites - target not set	End-line status: 73 2 146 5
	Water Supply	
	Distribution system rehabilitated and extended in 15 pourashavas	Not done
	New pipeline installed in 0 pourashavas	Achieved in 4 pourashavas
	Baseline status: 0 km	End-line status: 30.44 km
	Leak management programs introduced in 5 pourashavas	Not done
	Production tube wells constructed in 10 pourashavas	Achieved in 9 pourashavas
Hand tube wells constructed in 10 pourashavas	Achieved in 5 pourashavas	
Baseline status: Not set	End-line status: 177	
Sanitation		
Public or community latrines constructed or repaired in 10 pourashavas	Achieved in 19 pourashavas	
Baseline status: Number of public/community sanitary latrines - 165	End-line status: 221	
Public awareness campaign conducted in 20 pourashavas	Achieved in 47 pourashavas	

Design Summary	Performance Targets and Indicators	Achievement
	Municipal Facilities Municipal facilities such as truck terminals constructed in 5 pourashavas Baseline status: Number of truck terminals constructed/repaired - 3	Achieved in 1 pourashava End-line status: 4
	Municipal facilities such as bus terminals constructed or rehabilitated in 5 pourashavas Baseline status: Number - 24	Achieved in 5 pourashavas End-line status: 27
	Municipal facilities such as street lighting installed in 10 pourashavas Baseline status: Number of poles - 2,044	Achieved in 8 pourashavas End-line status: 5,353
	Municipal facilities such as parks built or constructed in 10 pourashavas Baseline status: Number of parks constructed/repaired - 19	Achieved in 2 pourashavas End-line status: 21
	Basic Services in Slums Basic infrastructure, including water, sanitation, drainage, solid waste management, footpaths, and street lighting, constructed or rehabilitated in all target slums of all target pourashavas Water supply Baseline status: Pipeline installation - no target set Number of hand tube wells - no target set	Achieved in 27 pourashavas End-line status: 690 m 937
	Drainage in slums/clusters Baseline status: Construction of drains - no target set	Achieved in 25 pourashavas End-line status: 26 km
	Footpath/footway in slums/clusters Baseline status: Length - no target set	Achieved in 26 pourashavas End-line status: 58.44 km
	Sanitary latrine (pit/slab latrines) Baseline status: Number - no target set	Achieved in 14 pourashavas End-line status: 4,644
	Street lighting coverage Baseline status: Number of light poles - no target set Waste collection facility (dustbin) Baseline status: Number of dustbins - no target set	Achieved in 14 pourashavas End-line status: 367 poles Achieved in 14 pourashavas End-line status: 189 dustbins

Design Summary	Performance Targets and Indicators	Achievement
Component B: Governance Improvement and Capacity Development		
Enhanced citizen awareness and participation	TLCCs and WLCCs formed in all target pourashavas by 2010	Achieved in 47 pourashavas by 2012
	Citizen report cards introduced and implemented in all target pourashavas by 2012	Achieved in 47 pourashavas by 2012
	Grievance redress cell established and operationalized by 2010 in all target pourashavas	Achieved in 47 pourashavas by 2012
Improved urban planning	Urban planner recruited in all class A target pourashavas by 2010	Achieved in 27 class A target pourashavas by 2012
	PDP, including base map and land use plan, prepared in all target pourashavas by 2012	PDP prepared in 47 pourashavas by December 2012 Base map and land use plan prepared in 35 pourashavas by June 2012
	Annual O&M plan prepared and implemented in 47 target pourashavas by 2012	Achieved in 35 target pourashavas by June 2012
Enhanced women's Participation	TLCCs and WLCCs established, with adequate representation of women in all 35 pourashavas by June 2010	Achieved in all 35 pourashavas by December 2012
	Baseline status: Number of women in TLCC - no set target Number of women in WLCC - no set target	End-line status: 859 1,928
	Gender Action Plan, including identified budget, prepared and implemented in all target pourashavas by June 2012	Achieved in 47 pourashavas by December 2012
	Gender committees established in all target pourashavas by June 2010	Achieved in 47 pourashavas by December 2012
Enhanced participation of the urban poor	TLCCs and WLCCs established with adequate representation of the poor in all target pourashavas by June 2012	TLCC established in 47 pourashavas by December 2012, with 1,022 urban poor members. WLCC established in 47 pourashavas by December 2012, with 382 urban poor members
	Poverty Reduction Action Plan, including identified budget, prepared and implemented in all target pourashavas by June 2012	Achieved in 35 pourashavas by June 2012
	SICs established in all target pourashavas by June 2012	Achieved in 27 pourashavas by June 2012
Improved accountability and sustainability of pourashava finance	Interim assessment of holding tax carried out in all target pourashavas by June 2010	Achieved in 35 pourashavas by June 2010
	Computerized tax records and accounting system introduced and operational in all target pourashavas by June 2012	Achieved in 47 pourashavas by June 2013
	Holding tax increased at least by 10% each year in 20 pourashavas	Achieved in 35 pourashavas by June 2013
	Debts fully repaid every year throughout the project period in all target pourashavas	Achieved in 31 pourashavas by June 2013
Improved administrative		Achieved in 35 pourashavas by June 2013

Design Summary	Performance Targets and Indicators	Achievement
Transparency and efficiency	Quarterly progress reports prepared on time by the PIUs in all target pourashavas throughout the project	Achieved for all 47 pourashavas regularly
Effective and operational project management system	PMO established in the LGED and operational by October 2008	Achieved by August 2008
	PIUs established in respective target pourashavas and operational by March 2009 in all target pourashavas	Achieved in 35 target pourashavas

LGED = Local Government Engineering Department, O&M = operation and maintenance, PCR = project completion report, PIU = program implementation unit, PMO = Project Management Office, TLCC = town-level coordination committee, UGIAP = Urban Governance Improvement Action Plan, WLCC = ward-level coordination committee.

Source: LGED baseline survey 2012; LGED end-line survey 2015; LGED PCR, June 2015; ADB PCR survey 2017

INITIAL CRITERIA FOR SELECTING POURASHAVA, PERFORMANCE CRITERIA, AND FUND ALLOCATION

A. Initial Pourashava Selection Criteria

1. During the project preparatory technical assistance, 35 pourashavas were selected for the project on the basis of the following criteria:

- (i) No pourashava selected under the Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP-I) was eligible for the project;
- (ii) Two category A pourashavas (Rangpur and Cox's Bazar), and one category B pourashava (Bhanga) were selected on a pilot basis for their (i) regional representation, (ii) representation of different categories, (iii) socioeconomic aspects, (iv) economic growth potential, and (v) service delivery gaps;
- (iii) Six category C pourashavas were selected, one from each of the six administrative divisions, randomly (Mirzapur, Parshuram, Nachol, Benapole, Kalapara, and Golapgonj);
- (iv) The remaining 26 category A and B pourashavas were selected in two steps:
 - Step 1: Regional balance: Division-wise entitlements were assessed proportionate to the number of category A and B pourashavas in each division.
 - Step 2: Pourashavas for each division were selected on the basis of demography, local economic growth potential, infrastructure and service delivery deficiency, investments received in recent years, incidence of poverty, capacity, and creditworthiness (collection efficiency).

2. Of the 35 pourashavas, (i) 23 were funded by ADB: Bagerhat, Barguna, Benapole, Bhanga, Bhola, Brahmanbaria, Chandpur, Chowmuhoni, Comilla, Cox's Bazar, Ghorasal, Golapgonj, Jhalokati, Jhenaidah, Kalapara, Munshigonj, Narail, Nachol, Noakhali, Parsuram, Satkhira, Sremongol, and Sunamgonj; and (ii) 12 pourashavas were funded by KfW: Dinajpur, Faridpur, Gaibandha, Jamalpur, Kurigram, Mirzapur, Mymensingh, Natore, Rangpur, Sirajgonj, Sreepur, and Thakurgaon.

B. Phase I Performance Criteria

3. The seven performance criteria from phase I that qualified a pourashava to enter phase II are summarized in Table A2.1. Those that successfully achieve all phase I performance criteria proceeded to phase II and were entitled to use a maximum of 50% of the investment ceiling.¹ Although the expected average period of phase I was 1.5 years, pourashavas could enter phase II immediately after compliance with all phase I performance criteria. Those that did not meet any of the phase I performance criteria within 2 years of the beginning of phase I lost all entitlement for fund allocation.

¹ The maximum amount of funds to be allocated is Tk250 million for class A, Tk200 million for class B, and Tk100 million for class C pourashavas.

Table A2.1: Phase 1 Performance Criteria

Activities	Performance Criteria
1. Town-level coordination committee established and operating according to the guidelines	At least three meetings held and minutes prepared
2. Ward-level coordination committees established and operating according to the guidelines	At least two meetings held and minutes prepared at all WLCCs of the pourashava
3. Community-based organizations established	At least two meetings held and minutes prepared
4. Formation of a gender committee headed by female ward commissioners	At least two meetings held and minutes prepared
5. Planning unit established in pourashava	Planning unit established, and recruitment of a full-time urban planner started for class A pourashavas, including request to Local Government Division
6. Pourashava development plan prepared, including poverty reduction action plan and gender action plan	Complied with
7. Interim assessment of holding tax carried out	Complied with

C. Phase II Performance Criteria

4. The 27 performance criteria of phase II, in seven governance areas, that must be achieved for a pourashava to enter phase III are summarized in Table A2.2. At the end of phase II, pourashavas' performance was rated by the municipal performance review committee (MPRC). The rating was *fully satisfactory* if all the phase II performance criteria were met to a fully satisfactory level, *satisfactory* if all the minimum requirements of the criteria were met, or *unsatisfactory* if the minimum requirements were not all met. The additional entitlement in phase III is 50% of the investment ceiling for pourashavas that have a fully satisfactory rating, 25% of the investment ceiling for pourashavas that have a satisfactory rating, and nothing for pourashavas with an unsatisfactory rating.

D. Criteria for Entry of New Pourashavas

5. Within 1 year after the end of phase I, all class A and B pourashavas that were not included under the project were informed about and encouraged to implement the project. The MPRC ranked those pourashavas that applied for fund allocations under the project according to the performance criteria. Pourashavas that had a high ranking would be entitled to use a maximum of 50% of their investment ceiling.² In the middle of phase II, the overall fund utilization was assessed, and the candidate pourashava was identified. At the end of phase II, new pourashavas were determined by the interministerial steering committee, subject to fund availability.

6. At the end of phase II of the project, four pourashavas (Bagerhat and Comilla from the ADB list, and Dinajpur and Rangpur from the KfW list) were dropped and 16 pourashavas were added, of which (i) 14 were funded by ADB: Bandarban, Bashurhat, Chuadanga, Dhanbari, Gopalganj, Hazigonj, Kakonhat, Khagrachari, Kushtia, Lalmonirhat, Madaripur, Madhabpur, Pabna, and Patuakhali, and (ii) 2 were funded by KfW: Nilphamari and Patgram.

² The maximum amount of funds to be allocated to each new pourashava is Tk80 million for class A pourashavas, Tk50 million for class B pourashavas.

Table A2.2: Phase II Performance Criteria

Activities	Performance Criteria	
	Fully Satisfactory	Minimum Requirements
A. Citizen awareness and participation		
1. Citizen charter approved by town-level coordination committee (TLCC) and displayed at the pourashava office	Citizen charter prepared and approved by TLCC	Citizen charter prepared and approved by TLCC
2. Citizens report cards prepared, approved, and implemented by the TLCC	Citizen report cards prepared and approved by the TLCC. The card is distributed and the result is compiled and disclosed at least twice.	Citizen report cards prepared and approved by the TLCC. The card is distributed and the result is compiled and disclosed at least once.
3. Grievance redress cell established with clear terms of reference and made functional	Complied with	Complied with
4. TLCC and WLCC meetings held on a regular basis	Quarterly meetings held and minutes prepared	Quarterly meetings held and minutes prepared
5. Budget proposal compared with the budget and actual outlays in the previous year, displayed at the pourashava office, and discussed at TLCC meetings	Complied with	Complied with
6. Mass-communication cell established and campaign plan developed and implemented as planned	Complied with	Complied with
B. Urban Planning		
1. Base map verified and updated land use plan prepared	Complied with	Complied with
2. Annual operation and maintenance (O&M) plan, including budget requirement, prepared and approved as part of pourashava development plan (PDP)	O&M plan approved and the budget increased by 5% annually up to the required budget	O&M plan approved and the budget increased
3. A full-time pourashava urban planner recruited (class A pourashavas only)	Complied with	Complied with
C. Women's participation		
1. Gender action plan (GAP) prepared and included in the PDP	GAP prepared and endorsed by TLCC and fully implemented, quarterly reports prepared	GAP prepared and endorsed by TLCC, with implementation begun and the first progress report presented to TLCC
2. Budget to implement GAP identified and approved	Complied with	Complied with
D. Integration of the urban poor		
1. Slum improvement committees (SICs) established in targeted slums	Complied with	Complied with
2. Poverty reduction action plan (PRAP) prepared and included in the PDP	PRAP prepared and endorsed by TLCC and fully implemented and quarterly reports prepared	PRAP prepared and endorsed by TLCC, implementation begun, and first prepared

Activities	Performance Criteria	
	Fully Satisfactory	Minimum Requirements
		progress report prepared
3. Budget allocation for PRAP	Budget to implement PRAP identified and approved	Budget to implement PRAP identified and approved
E. Financial accountability and sustainability		
1. Computerized accounting system introduced and computer-generated accounting reports produced	Complied with	Complied with
2. Computerized tax record system introduced and computer-generated bills produced	Complied with	Complied with
3. Financial statements prepared and account and audit standing committee carry out audit within 3 months after closure of fiscal year	Complied with	Complied with
4. Interim tax assessment carried out annually and collection increased	Interim tax assessment carried out and collection increased by more than 10% annually (up to 80% collection efficiency)	Annual tax reassessment carried out and collection increased by more than 5% annually (up to 80% collection efficiency)
5. Non-tax own revenue source increased at least by inflation rate	Complied with	Complied with
6. All debts due to Government of Bangladesh and other entities fully repaid according to schedule, and ratio of debt servicing to annual revenue receipts remains less than 25%	Complied with	Complied with
7. All outstanding bills older than 3 months, including electricity and telephone, paid in full	Complied with	Complied with
F. Administrative transparency		
1. Development of adequate staff structure (according to size and needs) with detailed job descriptions to enable the pourashava to effectively undertake its current and future obligations	Complied with	Complied with
2. Elected representatives, pourashava officials, and concerned citizens actively participate in training programs	Complied with	Complied with
3. Progress report on Urban Governance Improvement Action Program implementation and other activities submitted on time to project management office	Complied with	Complied with
4. Standing committees established and/or activated	Complied with	Complied with
5. Ensuring evaluation and monitoring by regional Local Government Engineering Department on progress and quality of physical works	Complied with	Complied with
6. Activities for e-governance initiated	Complied with	Complied with

E. Performance-Based Investment Funding Allocation

7. The complete list of 51 pourashavas, with their performance status, investment ceilings, and fund utilizations are summarized in Table A2.3.

Table A2.3: Performance-Based Investment Funding Allocation

Sl. No.	Pourashava	Class	Performance in Phase I	Performance in Phase II	Indicative Investment Ceiling (Tk million)	Fund Utilized (Tk million)	Fund Used (% of Investment Ceiling)	Remarks
1	Jhalokhati	A	FS	FS	250	251.35	101	Overallocation due to better performance in phase III
2	Bhola	A	FS	FS	250	214.09	86	
3	Barguna	A	FS	FS	250	297.31	119	Overallocation due to better performance
4	Kalapara	C	FS	FS	100	126.94	127	Do
5	Ghorashal	A	FS	FS	250	187.48	75	
6	Munshiganj	A	FS	FS	250	187.21	75	
7	Bhanga	B	FS	US	200	136.26	68	
8	Nachol	C	FS	FS	100	74.06	74	
9	Chandpur	A	FS	FS	250	306.11	122	Overallocation due to better performance
10	Comilla	A	FS	FS	250	100.50	40	Dropped after phase II, as it was going to be a city corporation
11	Cox's Bazar	A	FS	FS	250	282.36	113	Overallocation due to better performance
12	Chowmuhoni	A	FS	FS	250	139.30	56	
13	B. Baria	A	FS	FS	250	209.81	84	
14	Noakhali	A	FS	FS	250	259.09	104	
15	Parshuram	C	FS	FS	100	132.40	132	Upgraded to A
16	Bagerhat	A	FS	US	250	118.22	47	Dropped after phase II assessment
17	Narail	A	FS	FS	250	200.85	80	
18	Jhenaidah	A	FS	FS	250	237.11	95	
19	Benapole	C	FS	FS	100	173.16	173	Upgraded to A, overallocation was due to better performance in phase III
20	Satkhira	A	FS	FS	250	213.31	85	
21	Sunamganj	A	FS	FS	250	187.99	75	
22	Sreemangal	A	FS	FS	250	180.69	72	
23	Golapganj	C	FS	FS	100	56.56	57	
24	Dhanbari	B	FS ^{/a}	...	50	66.88	134	New entry
25	Madaripur	A	FS	...	80	110.48	138	New entry
26	Gopalganj	A	FS	...	80	71.90	90	New entry
27	Basurhat	B	FS	...	50	58.80	118	New entry
28	Bandarban	A	FS	...	80	96.52	121	New entry
29	Hajiganj	A	FS	...	80	147.97	185	New entry
30	Khagrachari	A	FS	...	80	120.94	151	New entry

Sl. No.	Pourashava	Class	Performance in Phase I	Performance in Phase II	Indicative Investment Ceiling (Tk million)	Fund Utilized (Tk million)	Fund Used (% of Investment Ceiling)	Remarks
31	Pabna	A	FS	...	80	85.04	106	New entry
32	Kakonhat	B	FS	...	50	73.58	147	New entry
33	Patuakhali	A	FS	...	80	198.78	248	New entry
34	Lalmohon	B	FS	...	50	95.51	191	New entry
35	Madhabpur	B	FS	...	50	49.21	98	New entry
36	Kushtia	A	FS	...	80	95.25	119	New entry
37	Chuadanga	A	FS	...	80	96.12	120	New entry
TOTAL (ADB AND GOVERNMENT FUNDED)						5,639.13	Equivalent to \$62.10 million	
38	Mymensingh	A	FS	FS	250	228.48	91	
39	Mirzapur	C	FS	FS	100	92.07	92	
40	Faridpur	A	FS	FS	250	225.86	90	
41	Sreepur	B	FS	FS	200	104.06	52	
42	Jamalpur	A	FS	FS	250	231.68	93	
43	Thakurgoan	A	FS	FS	250	221.27	89	
44	Gaibandha	A	FS	FS	250	241.73	97	
45	Rangpur	A	FS	US	250	88.47	35	Dropped after phase II assessment
46	Kurigram	A	FS	FS	250	219.10	88	
47	Natore	A	FS	FS	250	195.16	78	
48	Sirajgong	A	FS	FS	250	249.81	100	
49	Dinajpur	A	FS	US	250	78.89	32	Dropped after phase II assessment
50	Nilphamari	A	FS	N/A	80	115.05	144	New entry
51	Patgram	B	FS	N/A	50	82.12	164	New entry
TOTAL (KfW AND GOVERNMENT FUNDED)						2,373.75		
PROJECT TOTAL						8,012.89		

FS = fully satisfactory, U = unsatisfactory.

^a For new-entry pourashavas, a weighted average scoring system was used during phase II based on (i) demography, (ii) local economic growth potential, (iii) infrastructure and service delivery, (iv) investment received earlier, (v) incidence of poverty, (vi) strength of the pourashava, and (vii) creditworthiness of the pourashava. The top scorers in each division were selected. They also had to meet the UGIAP phase I criteria.

IMPORTANT LOCAL AND FOREIGN TRAININGS CONDUCTED

1. In total, 51,884 trainee-days of trainings were provided to 48,494 people in 1,461 batches, covering 32,654 men and 15,240 women (31.4%). Of the total number of trainees, 23,022 (47.5%) were trained in the Local Government Engineering Department (LGED) Dhaka Office, 3,993 (8.2%) in the LGED's regional Urban Management Support Units (UMSUs), and 21,479 (44.3%) in pourashavas. Of the total number of batches, 672 were trained at the LGED Dhaka Office (46%), 117 at the UMSUs (8%), and 672 in pourashavas (46%). An overview of the training appears in Table A3.1. The list of training received by pourashava officials and staff is in Table A3.2.

2. GTZ provided in-kind assistance to engage experts for governance program development and technical cooperation to enhance the urban reform initiatives. Experts in governance program development assisted the UMSU and the Project Management Office (PMO) of the LGED in refining and expanding training modules used by the UMSU and the PMO for capacity development in governance improvement. GTZ engaged five consultants in each of four regional UMSUs to support them in implementing standard training modules to pourashavas, which included (i) computerization of tax records, (ii) computerization of accounting, (iii) inventory and mapping of infrastructure, and (iv) community mobilization. Table A3.3 shows the list of formal trainings conducted by GTZ and the PMO. During project implementation, additional on-the-job training needs were assessed in 30 subjects of governance improvement, and GTZ provided additional training. The list of such additional training is in Table A3.4.

3. In addition, project stakeholders, including pourashava personnel, made several exposure visits to other countries. Two chairpersons of Gender Committees (women ward councilors) and two member-secretaries of Gender Committees also made such trips as encouragement for doing some hard work in their respective areas. Those who went on the overseas visits were exposed to urban management and city council situations and practices and learned about their successes. This information was eventually applied to the pourashava environment, wherever considered appropriate. The overseas study visits are detailed in Table A3.5.

Table A3.1: Training Overview from 2009 to 2015

Training Venue(s)	Number of Batches	Number of Participants			Trainee-days
		Male	Female	Total	
Project headquarters	672	15,928	6,494	23,022	24,047
Regional level	117	2,987	1,006	3,993	4,478
Pourashava	672	13,739	7,740	21,479	23,359
Total	1,461	32,654	15,240	48,494	51,884

Table A3.2: List of Training Received by Pourashava Officials and Staff

Training Events	Participants
01 Training of trainers course	Pourashava secretary, town planner, Assistant Engineer (AE), and assistant tax collector
02 Good governance and its application in the pourashavas of Bangladesh	Pourashava secretary, assistant engineer
03 TOT course on facilitation techniques and horizontal learning	Pourashava secretary, town planner, AE
04 Participatory community planning	Slum development officer
05 Gender focus, TOT course	Pourashava secretary
06 Capacity development of pourashava tax assessment and tax collection	Assistant tax assessor and assistant Tax collector

Training Events		Participants
07	Municipal Accounting Software	Pourashava accountant
08	Double Entry Account Management system software	Pourashava accountant
09	Project Accounting techniques	Pourashava accountant
10	Operation of the Municipal Water Billing Software Refresher Training	Pourashava pump operator
11	Gender Action Plan Preparation, Monitoring Format fill up	Chairperson and member secretary of gender committee
12	Gender monitoring and Poverty Reduction Action Plan	All staff of pourashava
13	Information, education, and communication materials	Mayor and secretary
14	TLCC guidelines and effective participation of TLCC meeting	TLCC female members
15	Accounts and audit	Members of audit and accounts standing committees
16	Roles and responsibilities in municipal administration and service delivery	All standing committee members of the pourashava
17	WLCC meeting management	All WLCC members
18	Duties and responsibilities of pourashava health assistants	All health assistant
19	Cashbook maintenance and financial reports	Accounts officer and cashier
20	Effective participation of women members in the standing committee	Standing Committee female members
21	Increasing gender awareness and addressing gender issues in TLCC	Standing Committee female members
22	Roles and responsibilities	Representative of Women's Corner and Information Center

Table A3.3: Summary of Formal Training Provided under GIZ Assistance

Title of Training	Participants	Batches	Number of Participants	
1	Formation and role and responsibilities of TLCC	TLCC members	14	641
2	Formation and role and responsibilities of WLCC	Ward Councilors	12	639
3	Orientation on effective meeting management	Mayor, chief executive officer/secretary	4	81
4	Orientation on effective meeting participation	TLCC member	6	239
5	Orientation on WLCC meeting management	WLCC chairperson, co-chairperson	6	176
6	Identification of potential sources of revenue generation for increasing pourashava's income	Pourashava personnel of tax section	6	59
7	Orientation on GAP	Member secretary, GC	1	34
8	Projection orientation	Ward councilors	16	417
9	Pilot training on good governance	FF, CMF, UPF, RTC, advisors	2	29
10	Gender Action Plan	GC members	10	236
11	Orientation on SIC	SDO, SIC, and PSC members	79	2,460
12	Workshop on role of town planners	Town planners	1	34
13	Concept of good governance and its application in pourashavas of Bangladesh	Secretary, XEN	2	60

Title of Training	Participants	Batches	Number of Participants
14 Training of trainers on IEC materials	RTC, LCDE, RTCDC, GPD	1	24
15 Training on community mobilization	Community field workers, slum development officer	5	137
16 Capacity development of the standing committee on accounts and audit	Steering committee members, secretary, ExEn, assessor, collector, market/license inspector	6	100
17 Training on GAP implementation	Councilors, department and section heads	2	60
18 SIC orientation	SIC member	5	139
19 SIC orientation	SIC member	3	61
20 Training for motivation and sensitization about settlement of all outstanding bills	Mayor, councilors, senior pourashava officials	6	138
21 General training of trainers	Senior staff of project pourashavas	10	144
22 Training of trainers on facilitation techniques and horizontal learning	Pourashava training pool members	1	29
23 Gender-focused training of trainers	Chairperson, member secretary, GC	3	77

CMF = community mobilization facilitator, FF = finance facilitator, GAP = gender action plan, GC = gender committee, GPD = governance program development, IEC = information, education, and communication, LCDE = local community development expert, PSC = PRAP steering committee, RTC = regional training coordinator, RTCDC = regional training community development coordinator, SDO = slum development officer, SIC = slum improvement committee, TLCC = town-level coordination committee, UPF = urban planning facilitator, WLCC = ward-level coordination committee, ExEn = executive engineer.

Table A3.4: Summary of Additional On-the-Job Training Provided under GTZ Assistance

Training Courses	Participants	Number of Participants
1. Cashbook maintenance	Accountant, cashier, accounts assistant	6
2. Techniques of increasing pourashava tax collection	Tax collector, assistant tax collector	20
3. Monitoring of sweepers	Sweeper supervisor, sanitary inspector, conservancy inspector	12
4. Water silt management system	Water supervisor, silt clerk, computer operator	6
5. Roles and responsibilities of the health assistant	Sanitary inspector, health assistant, compounder, supervisor	12
6. Proper immunization process	Vaccinators	15
7. Gender sensitization	SIC members, selected CBO members, selected TLCC members	44
8. Training on code of conduct of the MLSS	All MLSS of the Chandpur Pourashava	27
9. Training on bazar and lease management	Staffs of bazar section, collectors	20
10. Training on addressing gender issues in TLCC	Senior staff of pourashava female councilors	20
11. W/shop on steps to improve quality of the education of the schools	Selected teachers of pourashava managed schools of Chandpur	35
12. Techniques of proper Immunization	Medical officer, health assistant vaccinators	7

Training Courses	Participants	Number of Participants
13. Training on conducting effective study circle	Training pool members, pourashava	10
14. Training on Right to Information Act 2009	MCC and Tottho Prodan Unit of pourashava	13
15. Effective role of female members in TLCC	TLCC members, Gender Committee	20
16. Gender and GAP implementation	Pourashava staff	30
17. Yearly planning workshop on study circle	TP members, LCDE, and SDO	07
18. Sewing training	Poor women in the slum area	20
19. Block & boutique training	Poor women in the slum area	20
20. Performance-related follow-up training of TLCC	Senior TLCC members and pourashava; officials	16
21. Increasing non-tax revenue collection	Tax/assistant tax collector, assessor	35
22. Gender and Gender Action Plan implementation	Department head, section heads, GC members	12
23. Primary health care	Health workers and school teachers	24
24. Present status and future activities of the TPRC	TP members	05
25. Women participation in the standing committees for female ward councilors	Female ward councilors	03
26. Mushroom training as a part of income generation for the selected SIC members	SIC members	15
27. Net bag preparation as a part of income generation for the selected CBO members	CEO members	15
28. Gender and Gender Action Plan implementation	Department head, section heads, GC members	30
29. Effective role of female members in TLCC	Female ward councilors, selected female WLCC members	30
30. Effective role of female members in standing committee	Female ward councilors, senior staff	30

CBO = community-based organization, GC = gender committee, LCDE = local community development expert, MCC = mass communication cell, MLSS = member of lower subordinate staff, SDO = slum development officer, SIC = slum improvement committee, TLCC = town-level coordination committee, UPF = urban planning facilitator, WLCC = ward-level coordination committee

Table A3.5: List of Overseas Exposure Visits

Title of Exposure Visit	Duration (Travel Dates)	Participating Agencies	Number of Participants
Visit to Thailand and the Philippines	10 days (19–28 February 2014)	PMO, pourashavas, MoLGRDC	9
Visit to Indonesia and Malaysia	10 days (07–16 September 2014)	PMO, pourashavas, MoLGRDC	10
Visit to Vietnam and China	10 days (25 Oct–3 November 2014)	PMO, pourashavas, MoLGRDC	10

MoLGRDC = Ministry of Local Government, Rural Development, and Cooperatives, PMO = Project Management Office.

STATUS OF IMPLEMENTATION OF GENDER ACTION PLAN

1. **Initial Gender Action Plan.** The project belonged to the Gender Equity Theme (GEN) category in the ADB gender classification system. A gender action plan (GAP) was prepared under the project, and gender design features were mainstreamed across all three project components. The GAP included strategies to ensure that women both actively participate in urban decision-making processes and benefit from the project. The key elements included were (i) ensuring women's representation and participation in local governance processes through the use of quotas and targets in the town-level coordination committees (TLCCs) and ward-level coordination committees (WLCCs); (ii) involving women directly in urban planning for improving service delivery; (iii) incorporating gender-responsive infrastructure design in development projects in slum areas; (iv) building the capacity of councilors and local government committees to effectively address the specific needs of women; and (v) institutionalizing processes for gender mainstreaming in the project as well as in pourashava management.

2. **Revision of GAP.** During the May 2012 Midterm Loan Review Mission, in consultation with the Project Management Office (PMO), the GAP was streamlined to ensure consistency in GAP activities. Despite this streamlining, a few repetitive activities remained. Given there was no further scope to revise the GAP, the project decided to cluster similar activities during GAP implementation and reporting.

3. **Evidence of Project Outcomes on Women.** Semi-structured interviews, focus group discussions, and key informant interviews conducted during the preparation of the PCR involved at least 100 UGIIP-II female beneficiaries in Cox's Bazar, Chuadanga, and Ghorashal. During discussions, a series of practical and strategic benefits—derived mostly from women's increased role in decision-making processes and structures supported by UGIIP-II—were collected. Women played active roles in the Gender Committees, town-level coordination committees (TLCCs), ward-level coordination committees (WLCCs), and slum improvement committees (SICs). They were exposed directly to the design of pourashava-tailored GAPs with earmarked budgets. These experiences increased their awareness, knowledge, capacity, and ability to perform responsibilities as citizens, claiming or demanding services, and to promote the construction of critical infrastructure. From most of the testimonials collected, it is clear that women's involvement in governance processes and structures led to improved awareness, self-efficacy, and confidence as well as recognition as peers by male mayors and councilors. Women participated actively in the (i) concept-stage, design, and implementation of slum-related planning and programs, and (ii) successful advocacy for allocation of scarce pourashava budget resources for critical areas, such as, waste collection and management, health-related behavior change communication, provision of street lighting in slums, and construction of safe spaces for women (for example, a women's section in pourashava offices, waiting areas for women inside the bus station, separate ticket counters for women in bus terminals and police stations). All these experiences resulted in greater safety and security for women and improved their ability to confidently explore alternative livelihood and entrepreneurial activities to help increase family income. Highlights of project benefits for women appear in short narratives in boxes in the following sections.

4. **GAP Achievements.** The achievements of the GAP are summarized in Table A4.1 and detailed in Table A4.2. Some highlights:

(i) **Women's participation in decision making increased.** The GAP set targets for women's participation in the decision-making process and created a legitimate space for women to be represented and heard in local governance processes. All GAP targets were fully met, as detailed in Table A4.2. Women's participation in project activities and regular attendance at TLCC and WLCC meetings enabled them to gradually break away from the

social taboo of interacting outside the household. They could convince their male relatives, husbands, and local male officials that their engagements in the public sphere, through meetings and pourashava activities outside the home, have had a positive impact on their families and in the communities. Through their roles as members of the TLCC, the WLCC, and the Pourashava Standing Committees (STCs), they can influence the design of infrastructure and the use of government resources. (See narratives in Boxes A4.1 and A4.2.)

Box A4.1. Enhancing women's voice

"In earlier days, I never thought of getting an audience with the mayor and councilors, let alone speak before them. But TLCC opened doors for me by giving me the opportunity to openly speak on different issues, especially affecting women, and ... due importance is given to my words." —Maleka Begum, TLCC Member

Box A4.2. Women promoting better waste management in the communities through the Slum Improvement Committees

Ms. Shyma and Ms. Morzina from the Ghorashal Pourashava are members of the TLCC and the SIC. They worked with their female councilor and ensured through the TLCC that money was earmarked in the pourashava budget—through the Pourashava GAP—to run awareness programs with different age groups in the slums on proper disposal of garbage. Ms. Shyma noted, "We needed to make sure that the municipality picked up the garbage on time from the preselected spots and we used the SIC platform to ensure that they came every day to pick up the waste. This was possible because we raised it in the TLCC and had a resolution minuted to that effect. Now the problem has decreased significantly and we see improved health conditions in the slum. We are not getting sick frequently."

- (ii) **Women's employment.** The GAP targeted poor women as laborers and created opportunities for them to work in mainstream economic activities and earn equal wages for equal volumes of work. It is estimated that women earned Tk269,713,725 (or US\$3.3 million) under the project.
- (iii) **Women's mobility, safety, and access to public infrastructure and public spaces improved.** About 1.3 million women (more than 32% of all citizens) and their families benefited from the gender-friendly infrastructure improvement. Women's mobility outside their home and in the public sphere increased significantly as pourashavas established separate toilet facilities for women in public places, installed adequate streetlights, built separate ticket counters for women in public transport facilities, and placed patrol police in bus and rail stations in some areas. Good roads, sufficient water supply, and sanitation also reduced women's workload and improved their families' health status. Short narratives on gender-friendly infrastructure are provided in Boxes A4.3 and A4.4.

Box A4.3. Safe waiting areas for women in railway stations

In Sreepur, where the local railway functionaries lacked the authority to build a separate waiting area for women inside the station, the Gender Committee of the pourashava created a space for women outside the station. This has significantly improved the travel experience for women when they wait for the train. As a woman councilor mentioned, "now the woman can wait in peace without the jeering of men in the crowds, they can even feed their children and let them rest until the train comes."

Box A4.4. Streetlights in the slums for women's safety

In one of the communities in Chuadanga Pourashava, one of the problems was the absence of streetlights along the road leading to the slum area. Men in the area harassed many of the young girls in the slum who came home late from school or work in beauty salons in the town. Ms. Jorina Begum, a member of the TLCC, raised this issue in a courtyard meeting and a TLCC meeting. She and other members of the committee brought this concern to the attention of the mayor. The mayor allocated funds to install three streetlights in the area. The TLCC is also working with the appropriate department in the pourashava to have broken streetlights repaired.

- (iv) **Capacity of pourashavas in promoting gender-responsive programs and services enhanced.** Gender committees headed by female ward councilors were established in all project pourashavas, and all developed tailored GAPs with earmarked budgets. The project increased the knowledge, capacity, and ability of 298,748 women and 4,487 men in the pourashavas with regard to claiming or demanding services and performing their responsibilities as citizens. See examples noted in Boxes A4.5 to A4.7.

Box A4.5. One-Stop Service Centers for Women

Forty-two project pourashavas created women's sections as one-stop service centers with dedicated women staff. The women's sections attend to service requests, such as issuance of national IDs. Before their establishment, the women in the pourashavas were not able to avail themselves of government services, as they were not comfortable in interacting with men outside the home.

Box A4.6. Gender-sensitive police services

In Cox's Bazar, UGIIP-II trained a woman who was then hired by the police department to train policemen on women's issues. Now, when women go to the police station to lodge a complaint, the policemen exercise sensitivity in dealing with issues of domestic violence or abuse in the home.

Box A4.7. Better knowledge and better access to pourashava services

"Before I was involved in the TLCC, I didn't know anything about pourashava activities and services. It was completely unknown and beyond our reach. Recently a dog bit my grandchild. Previously we would have taken him all the way to Dhaka. But now that we know about pourashava services, we got the treatment here, right within the pourashava premises. This was a great help for us—we are now happier and more conscious." —Lakshmi Begum, Ghorashal Pourashava

4. Monitoring and reporting on GAP implementation. The Project Management Office (PMO) made notable efforts to systematize GAP monitoring and reporting. With support from the PMO, 75 staff members received training on gender and implementation of the pourashava-tailored GAPs, monitoring, and appropriate reporting. The project submitted regular quarterly progress reports on GAP implementation that provided a clear picture of women's active participation in the project activities and their benefits received under the project.

Table A4.1: Gender Action Plan Achievements Matrix (Summary)

Performance Targets and Indicators	Achievement at Project Completion
TLCCs and WLCCs established with adequate representation of women in all target pourashavas by June 2010	<ul style="list-style-type: none"> • TLCC: 587 women and 1,163 men, Total: 1,750; 33.5% women, target 33% by June 2010; target achieved • TLCC: 785 women and 1,565 men, Total: 2,350; 33.4% women, target was 33% by June 2014; target achieved • WLCC: 1,485 women and 3,690 men; 40.24% women; target was 40% by June 2010; target achieved. • WLCC: 1,928 women and 4,731 men; 40.75% women; target was 40% by June 2010; target achieved.
Gender Action Plan, including identified budget, prepared and implemented in all target pourashavas by June 2012	<ul style="list-style-type: none"> • Over the course of UGIIP-II, pourashavas expended Tk141.5 million of their own revenue for GAP implementation, outside of project funds (as of March 2015). • A total of 35 pourashavas prepared GAPs with budgetary provision and implemented them by 2012. • A total of 47 pourashavas prepared GAPs with budgetary provision and implemented them by 2012.
Gender committee established in all target pourashavas by June 2010	<ul style="list-style-type: none"> • The gender committee started with simple changes in the pourashava environment. For example, it advocated that a specific amount of time be set aside for women councilors at WLCC and TLCC meetings to speak on their perceived development needs. Members also insisted that these opinions be noted in the resolution of the meeting and be considered in making decisions. In addition, the committee advocated for new seating arrangements that allow space for women in the front aisles of the meeting room. • Each pourashava established a gender committee; all 47 had done so by June 2014.

TLCC = town-level coordination committee; UGIIP-II = Second Urban Governance and Infrastructure Improvement (Sector) Project; WLCC = ward-level coordination committees.

Source: ADB staff.

Table A4.2: Gender Action Plan Achievements Matrix (Detailed)

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
Governance Improvement and Capacity Building Objective: Develop capacity of project and pourashava functionaries in GAD and implementation of GAP, UGIAP, and PRAP			
1. Ensure that all trainings offered keep in view the GAD perspectives, gender awareness created among PMO, pourashava staff, and councilors, to ensure female staff and female ward councilors participate in relevant training	1. All training curricula and manual [Number of training modules and contents integrate GAD and social aspects]	<ul style="list-style-type: none"> • 14 training modules/materials developed on GAD perspectives in urban governance • About 23 IEC materials: flip book, posters, guidelines, and videos integrated messages on the GAP, PRAP, TLCC, and WLCC, and messages related to tax, grievance redress cells, and terms of reference of STCs • 12 video documentaries produced on gender, poverty, and social aspects 	Completed Target achieved
2. Support capacity building for pourashavas on UGIAP, Poverty Reduction Action Plan (PRAP), and GAP		<ul style="list-style-type: none"> • All 17 female staff of the PMO trained • All 1,878 female staff of the pourashava trained • All 175 female ward councilors trained (including those of the four pourashavas that were dropped) 	Completed Target achieved
Urban Service Delivery Objective: Ensure equitable services for women at pourashava level			
3. Support capacity building of pourashavas on service delivery	2. All pourashavas	All 51 pourashavas (including 4 that eventually dropped out) provided support for capacity building, and all developed capacity in service delivery to follow guidelines on service delivery and ensure provision of equitable services to women	Completed Target achieved
	3. All pourashavas follow guidelines and qualify	The 35 (all) pourashavas that built capacity follow guidelines on service delivery and successfully qualified for phase I; 31 (out of 35) successfully graduated to phase II, and 47 (out of 47) to the third phase.	Completed Target achieved
Project Management and Implementation Support Objective: Promote women's participation as agents and managers			

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
4. Increased recruitment of women	4. More than minimum provision under LGED guidelines	Recruited more than the minimum 15% women prescribed in LGED Guidelines: <ul style="list-style-type: none"> • 17 (34%) of 50 PMO staff were women • 17 (15%) of 114 project consultants and facilitators were women • At pourashava level, 1,878 (26.02%) women out of 5,337 staff (baseline: 20%; 994 women out of 9,410 staff members) 	Completed Target achieved
5. Ensure congenial work environment for women staff (accommodation, water, transport) ¹			
6. Train all female staff	<ul style="list-style-type: none"> • Number of trained women staff at different levels • Number of trained female staff 	Number of trained women staff: <ul style="list-style-type: none"> • All 17 women PMO staff (including assistant engineer, sub assistant engineer, officer, etc.) • All 17 women project consultants (including one gender specialist at PMO level, consultants at regional and pourashava levels) • 1,878 pourashava staff were women • 7 women and 40 men on pourashava staff received training of trainers on gender 	Completed
Monitoring Objective: Track progress and impact of the project on pourashava governance and the beneficiaries			
7. Develop gender-based monitoring system	5. PMO and pourashava gender-based monitoring system	Gender-based monitoring system for PMO and pourashavas developed and regular receipt by PMO of reports from all PIUs	Completed
	6. One monitoring system integrating all <i>Pourashavas</i> developed	<ul style="list-style-type: none"> • One monitoring system integrating all pourashavas developed • Key gender-related data in monitoring format include (a) female–male participation in committees, namely TLCCs and WLCCs; (b) sex-disaggregated labor-related data (number of labor days, wage), and 	Completed

¹No data provided for this indicator under this section. Relevant data are indicated in activity 15.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
		related facilities in construction sites, (c) use of GAP budget, implementation of SICs	
Governance Improvement and Capacity Building Objective: Mainstream gender and good governance in pourashava activities			
8. Ensure equitable representation of women and marginalized groups in pourashava decision making	7. Committees have minimum provisions in accordance with the Pourashava Act 2009 ²	Provisions of Pourashava Act 2009 related to women's representation in decision-making bodies complied with <ul style="list-style-type: none"> • STCs formed with 40% women representation in all project pourashavas • WLCCs formed with 41% (target: 40%) female members in all project pourashavas (1,920 of 4,731 members are women) • Gender Committee formed in all pourashavas headed by female ward councilors, all other female ward councilors were members of these committees with one pourashava revenue staff • 1,574 primary groups formed in slums, comprising only poor women and led by women, for identifying their needs and act to address them • All (202) SICs formed with female leaders and more than 79% of members are women (1,989 women among 2,512 members) 	Completed Target achieved
	8. Ensure at least one-third female representation in CBOs ³	One-third female representation ensured in CBOs: in CBO Executive Committees, 33% were women (3,740 out of 11,220 members)	Completed Target achieved
	[Number of committees headed by female ward councilors]	<ul style="list-style-type: none"> • On average, more than three STCs chaired by female ward councilors • STCs on women and children's affairs and on prevention of oppression on women chaired by female ward councilors 	Completed Target achieved
		All (157) female ward councilors as members of committees	Completed

² Similar indicator, "Provision of Pourashava Act 2009 ensured," deleted. Minimum provisions under the Pourashava Act (2009) require 40% women's representation in pourashava STCs, 40% in WLCC, and 33% in TLCCs.

³ Similar indicator, "At least one-third women in CBOs," deleted.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
	[Number of female ward councilors as member of committees]		Target achieved
Objective: Develop capacity of female ward councilors and staff in governance and participation			
9. Ensure that all Counsel and staff are trained	9. All staff and female ward councilors trained [Number of staff trained]	All (1,878) women and 3,459 pourashava staff trained on governance and participation	Completed
	[Number of female ward councilors trained]	All (190) female ward councilors trained (more than the stipulated 157, because quite a few new faces were ushered in due to elections)	
Objective: Ensure pourashava development activities promote gender equality			
10. Introduce gender planning and budgeting through pourashava level GAP	10. Needs-based budget from pourashava total revenue budget allocated for specific activities	<ul style="list-style-type: none"> • All 47 pourashavas undertook gender-focused planning and need-based pragmatic budgeting (to be taken from the total revenue budget of pourashavas) through development of pourashava GAPs • On average, nearly 2% of pourashava total revenue budget allocated to implement the GAP and more than Tk151.7 million spent 	Completed
Urban service delivery Objective: Ensure equitable access of women in service delivery planning, implementation and as users			
11. Involve women in planning and delivery and management of services including those under the PRAP	11. 30% women in consultation [Number of women in consultations]	<ul style="list-style-type: none"> • Approximately 40% women (3,072 women out of 7,731 participants) participated in focus group discussions • Approximately 10,966 (52%) women involved (out of 20,986) in ward and pourashava visioning at community level • 1,928 (41%) women (out of 4,731) in WLCCs • 785 (33.4%) women (out of 2,350) in TLCCs 	Completed Target achieved

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
	12. Consultations led by female ward councilors	Consultations led by all 157 female ward councilors, particularly courtyard meetings, rallies, and consultations related to slum improvement activities	Completed
	13. 30% women in consultation during preparation of PRAP	79% women consulted during preparation of PRAP (21,249 women out of 26,897 participants)	Completed Target achieved
	14. 30% women in awareness raising	More than 50% women in awareness programs	Completed Target achieved
	[Number of women in service delivery]	21,249 women involved in service delivery related to slum improvement activities under PRAP, many of whom provided voluntary service	Completed
	[% of women receiving services]	All women (100%) (46,854) received slum improvement services under PRAP in selected slums: 4,644 toilets; 937 hand tube wells; 0.69 km water supply pipeline; 367 streetlights; 58.44 km footpath; 26 km drain	Completed
	Project Management and Implementation Support Objective: Promote women's participation as agents and managers		
12. Increase recruitment of women	15. Ensuring minimum provision, according to LGED Guidelines, in all pourashavas	During project implementation, increased engagement of female staff in pourashavas to 26.02%, beyond the 15% required (1,878 women out of 5,337 staff)	Completed Target achieved
			Completed

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
13. Ensure congenial work environment for women staff (accommodation, water, transport etc.)	16. All pourashavas have accommodation and facilities for women staff and female ward councilors	Accommodation arranged at office and facilities (water, TA/DA facilities, etc.) at all pourashavas for female staff and female ward councilors	Target achieved
14. Develop training plan and materials integrating gender		See activity 1	Completed
			Target achieved
Urban Infrastructure - Civil Construction Objective: Empower women in infrastructure decision making			
15. Ensure women and men participate equally in the prioritization of plans, and in decision making and maintenance	17. 30% in all consultation [Number of women in consultation]	<ul style="list-style-type: none"> • Approximately 40% women in focus group discussions (3,072 women out of 7,731 participants) • Approximately 50% women involved in ward and pourashava visioning at community level (10,966 women out of 20,986) • 41% women in WLCCs (1,928 out of 4,731) • 33.4% women in TLCCs (785 out of 2,350) • 79% women consulted during preparation of PRAP (21,249 women out of 26,897 participants) • 79% (1,989 women) in 202 SICs developed need-based CAP and managed overall activities of CAP and its implementation 	Completed Target achieved
	[Number of women trained on maintenance]	236 women trained on toilet maintenance, 203 women acquired skills on tube maintenance through training	Completed
	[Number of women involved in maintenance]	101 women involved in maintenance	Completed

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
Objective: Ensure women benefit from infrastructure as users			
16. Ensure that all infrastructure are women friendly	18. As per plan women work and travel comfortably	<ul style="list-style-type: none"> • Bus terminal: of 30 pourashavas, separate toilet arrangement in 28 pourashavas, separate ticket booking counter in 20 pourashavas, separate waiting arrangement in 24 pourashavas 	Completed
		<ul style="list-style-type: none"> • Rail station: out of 20 pourashavas, separate toilet in 12 pourashavas, separate ticket booking counter in 6 pourashavas, separate rest rooms in 10 pourashavas 	
		<ul style="list-style-type: none"> • Launch terminal: out of 6 pourashavas, separate toilet in 5 separate waiting place in 3 pourashavas 	
		<ul style="list-style-type: none"> • Community infrastructure: Improved service delivery in selected slums (2,322 toilets, 937 hand tube wells, 69 km water supply pipeline, 367 streetlights, 58.44 km footpath) 	
		<ul style="list-style-type: none"> • Public transport terminals: 30 of 47 project pourashavas have bus terminals, 20 have rail stations, 6 have launch terminals 	
Objective: Ensure labor rights in construction			
17. Ensure that core labor standards are followed in construction	19. All civil construction contracts and contractors	National core labor standards considered in all civil construction documents and construction sites	Completed
	20. Orientation materials include messages on core labor standards	<ul style="list-style-type: none"> • Orientation materials, including messages, prepared and shared • All (240) engaged contractors oriented twice by the PMO and by PIUs; first orientation done at PMO level (centrally) and second at pourashava level (including supervisors/site managers) 	Completed
	21. Clause in the bidding document section 4	Clauses included in bidding documents	Completed

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
	22. At least 20% women in all contracts [% of women employed as laborers]	25% women (5,239 out of 20,956 workers) engaged as laborers in construction work	Completed Target achieved
	23. Introduction of safety measures and gear in all construction sites ⁴	All 500 construction sites introduced safety measures, first aid box with basic medical support, gloves, helmet and shoes	Completed Target achieved
	24. Wage inequality reduced by at least 20% for male and female laborers ⁵	Wage inequality reduced by 40% for male and female laborers; initially Tk250 for men and Tk200 for women and later increased to Tk350 for men and Tk330 for women	Completed Target achieved
	25. Water and sanitation facilities exist in all construction sites ⁶	Water and sanitation facilities in all 500 construction sites	Completed Target achieved
Solid Waste Management Objective: Promote understanding of the role of women in households in solid waste disposal			
18. Conduct awareness for women along with the concerned stakeholders on their respective roles in solid waste management	26. Materials developed	Materials developed on solid waste management	Completed
	27. Rallies conducted	479 central rallies and 2,375 ward-based rallies conducted	Completed
	28. Ward-based rally conducted every six months	Rallies organized every 6 months covering the issues	Completed Target achieved

⁴ Similar indicator, "Safety measures taken and gears used", deleted.

⁵ Similar indicator, "Wage disparity reduced at least by 20%", deleted.

⁶ Similar indicator, "Facilities in all construction sites," deleted.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
	29. Increased awareness among public	104,780 women and 83,325 men participated in rallies, exceeding the target population	Completed
Objective: Ensure environmentally sound solid waste disposal through greater participation of women			
19. Motivate through periodic campaign, women in households to dispose of household waste in the nearest garbage bins or through garbage collectors	30. Motivational campaign every 3 months ⁷	Motivation campaign organized periodically, every 3 months during the courtyard meetings. It has conducted during 8,664 courtyard meetings	Completed Target Achieved
	31. Campaign materials developed	Campaign materials developed (flip charts and factsheet)	Completed
	32. Households waste disposal improved Increased cleanliness in pourashavas	Improved household waste disposal and increased cleanliness in pourashavas	Completed
Objective: Integrate maintenance of latrine into family health and hygiene			
20. Conduct motivational program on health, hygiene, and sanitation on a continuing basis, involving women in households	33. Motivational campaigns conduct every 3 months	Motivational campaign organized every 3 months	Completed Target achieved
	34. Motivational programs implemented	Motivation programs implemented through 8,664 courtyard meetings	Completed
	35. Hygienic maintenance of latrines increased ⁸	Hygienic maintenance of latrines increased as observed through interactions and field observation at different time points	Completed

⁷ Similar indicator, "Campaign organized periodically," deleted.

⁸ Indicator had no baseline data, hence, the extent of the "increase" cannot be measured or cited.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
Hand Tube Well Objective: Ensure better maintenance of hand tube wells with women's involvement			
21. Caretaker to be appointed from among women with adequate orientation in maintenance of tube wells	36. Women trained on tube well maintenance	203 women trained on tube well maintenance	Completed
	37. One woman caretaker for every hand tube well installed	<ul style="list-style-type: none"> • 101 women working as tube well caretakers on 177 hand tube wells installed (in outside slums) • 744 women taking care of 937 hand tube wells installed in selected slums • Supply of safe and clean water ensured as a result of women's participation in O&M 	Completed Target partially achieved
Public Toilet Objective: Ensure convenient access by women to toilet facility			
22. Location of public toilet to be carefully selected to suit women's needs and included in design	38. Construction of public toilet with facilities for women	56 public toilets constructed with separate facilities for women users	Completed
	39. Design of public toilets includes separate toilet for women at suitable locations	Design of all public toilets (56) included separate provision for women at suitable location in local parks, on banks of the canal and river, and near community centers	Completed
Objective: Involve women in maintenance of public toilets through making formal arrangements so that women are assured of a role not only as beneficiaries but also as agents for its upkeep			
23. Women to be involved in maintenance through incorporating suitable clauses in the lease deed.	40. Women involved in maintenance of all public toilets ⁹	56 women involved as caretakers of 56 public toilets	Completed
	41. Lease deed revised with	Lease deeds revised to include suitable clauses for women (separate toilets for women and women caretakers for women's toilets)	Completed

⁹ Similar indicator, "Women involved in maintenance," deleted.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
	inclusion of suitable clause		
	42. Women's sanitation comfort ensured	Women's sanitation comfort increased and ensured by providing separate toilet facilities in different public places, bus terminals, and pourashavas; women also involved as caretakers for the toilet facilities	Completed
Objective: Ensure special attention is given to the maintenance of facilities designed for women passengers			
24. Proper representation of women in Bus Terminal Management Committee	43. Women's representation in management committees	No management committees set up because pourashava operates bus terminals directly	
	44. Lease deed revised	Lease deeds revised with inclusion of suitable clauses for women (separate toilets for women and women care takers for women toilets)	Completed
Objective: Ensure better security for women passengers			
25. Arrangement to be made wherever possible for female police to ensure security for women passengers	45. Female police in all bus terminals ¹⁰	Female police arranged in five pourashavas to look after the security of women passengers at (larger) bus and rail stations ¹¹	Completed
	46. Understanding with police department	Understanding made with police department verbally; police administration, under central government, helped pourashavas upon request of mayors	Completed
	47. Security of women improved	Security of women improved with police presence. There were no reported inappropriate incident/s experienced by women as mentioned during field visits and discussions with local people and Gender Committee.	Target achieved

¹⁰ Similar indicator, "Female police in bus terminals," deleted.

¹¹ Considering the reality and necessity, this was not done in other bus terminals. All pourashavas are not same. Police are deployed only at vulnerable places.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
Objective: To ensure special attention to the maintenance of facilities designed for women passengers			
26. Proper representation of women in Bus Terminal Management Committee.	48. Women's representation in Management Committees	No Management Committees set up because pourashava operated bus terminals directly.	
	49. Lease deed revised	Lease deeds revised with inclusion of suitable clauses for women (separate toilets for women and women care takers for women toilets).	Completed
Objective: Ensure better security for women passengers			
27. Arrangement to be made wherever possible for female police to ensure security for women passengers	50. Female police in all bus terminals ¹²	Five pourashavas arranged women Police for looking after the security for women passengers at (larger) bus/rail stations. ¹³	Completed Target achieved
	51. Understanding with police department	Understanding made with the police department verbally. Police administration is under central government. Police helped pourashavas upon request of the mayor/s.	Completed Target achieved
	52. Security of women improved	Security of women improved with police presence. There was no reported unpleasant incident experienced by women as mentioned during field visits and discussions with local people and PS Gender Committee.	Target achieved
Market Development			
Objective: Facilitate access of women shoppers and sellers to the use of toilets			
28. Separate toilets to be arranged for women with due regard to the appropriateness of location	53. All markets constructed, with separate toilet facilities for women	Separate toilet facilities for women included in all (4) markets	Completed Target achieved
			Completed
Objective: Increase participation of women in sales and purchases			Completed

¹² Similar indicator, "Female police in bus terminals," deleted.

¹³ Considering the reality and necessity, this was not done in other bus terminals. All pourashavas are not same. Police are deployed only at vulnerable places.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
29. Lease holders to be motivated to encourage appointment of women employees	54. All markets have increased presence of women sellers ¹⁴	<ul style="list-style-type: none"> • 43 shops allotted for women in all (4) constructed markets, providing women with secure spaces for their enterprise and income-generating activities • Women participation as sellers and buyers in all (4) constructed markets increased; 43 women sellers 	Target achieved
Objective: Increase women's participation in trade and business			
30. Allocation of shops to women (individual or group)	55. All markets with shops allotted to women	All (4) markets constructed by the project allotted shops for women, enabling them to showcase and market their goods and services	Completed Target achieved
Objective: Facilitate women's access in the kitchen market as sellers			
31. Allocate space for women sellers in the developed platforms.	56. All kitchen markets have space allotted to women sellers	<ul style="list-style-type: none"> • Spaces allotted for women sellers in all (23) kitchen markets • 85 spaces were allotted for women 	Completed Target achieved
Objective: Involve women in management to pay attention to the women's needs			
32. Involvement of women in management to be ensured through suitable clause incorporated of provision in the lease agreement	57. All markets to provide lease deeds	Lease signed with individual shop owners in the commercial markets	Completed Target achieved
	[Number of women in market management committees]	Eight women in the market management committees in the four project-constructed markets, advocating for better selling corners for women sellers and helping ensure separate toilets for women are built in market places	Completed
Slum Development Objective: Ensure that responsibilities devolved on the women in slum development are owned and performed exclusively by the women in order that they have increased access to and control over resources/services			
33. Activities related to slum development to	58. Beneficiaries participate in	Beneficiaries participated in slum development; all slum development activities carried out exclusively with the beneficiaries' participation	Completed

¹⁴ No baseline data provided, hence rate/ extent of "increase" cannot be determined.

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
undertaken with gender perspective	slum development		
	59. Women's increased participation in slum based activities	Women's participation increased in slum-based activities, all carried out exclusively by SICs, formed with women as leaders; over 79% involved women (1,988)	Completed
	60. Women gain greater control over resources	Greater control gained over resources as women managed all activities, including fund and construction control (clearly revealed from interactions and field observations at different time points)	Completed
Economic Development Objective: Assist women to get employment opportunities and income			
34. Pourashava-tailored GAP will include the activities for skill development and assist income generation	[Number of women received training]	<ul style="list-style-type: none"> Through implementation of the GAP, 17,437 women of project pourashavas received training related to income generation, such as tailoring, boutiques, computers, animal husbandry, candle making, and nursery 	Completed
	[Number of women invested and earning]	<ul style="list-style-type: none"> 20,495 women received training and assistance (financial or equipment) for income generation activities from project pourashavas 10,386 women were included in income generating activities (most of them graduates of the training courses) or supported with seed money/poultry 	Completed
Land Use Planning Objective: Address needs of women in residential and recreational matters			
35. Undertake land use planning and its	61. Each land use plan for model pourashavas contains provisions	Each land use plan for model pourashavas includes provision for a ladies' park and ladies' corner (in shopping centers), ladies' toilet, and playgrounds	Completed
			Target achieved

Activities	Indicators and Targets	End Project, Progress Status up to June 2015	Assessment
implementation with gender focus ¹⁵	62. Women-friendly infrastructure built	<ul style="list-style-type: none"> • 8 pourashavas built or arranged for separate seating arrangements for women in local parks (2 constructed by the project) • 35 pourashavas with girls' schools and playgrounds • 56 public toilets (constructed by the project) established with separate facilities for women users 	Completed
NGO Selection ¹⁶ Objective: Accord preference to gender-sensitized NGOs in the matter of selection for involvement in pourashavas			
Monitoring Objective: Track results of the project on pourashava governance and beneficiaries			
36. Implement a gender-based monitoring system	63. One system	One system followed while format was prepared	Completed
	64. Gender-based quality data available in all pourashavas	Gender-based quality data available in all pourashavas to help them tailor specific interventions to meet women's practical and strategic needs in the community	Completed Target achieved
	65. Reports include gender-based analysis	Reports include gender-based analysis	Completed

¹⁵ A gender-focused land use plan exists for all pourashavas. Each contains provisions for ladies' parks, ladies' corners, ladies' toilets, and ladies' playgrounds. Some are completed and some are in the process of implementation. The dedicated spaces for women have helped ensure safe mobility and women's increased presence in public spaces.

¹⁶ There was no NGO involvement in this project from the very beginning, though it was in the plan. Drawing on experience in UGIP-I, this project did not look for NGO engagement.

EVALUATION OF POVERTY, SOCIAL, AND INVOLUNTARY RESETTLEMENT IMPACT

1. The urban population constitutes a high percentage of the poor, including women, who are associated with different urban services for their livelihood. Many of them are migrants from rural areas looking for employment in the service sector in pourashavas. The project design included a close look into several of their social issues, such as the accessibility and affordability for the poor and women of economic opportunities, participation in urban planning and management, and social safeguards and other issues such as involuntary resettlement, indigenous peoples, labor, and affordability. It included interventions for improving both urban governance and infrastructure and has produced a significant impact in the targeted 51 pourashavas.

A. Poverty Reduction

a. Inclusiveness of the Poor and Participation in Urban Governance

2. As required by the project, all 51 targeted pourashavas established town-level coordination committees (TLCCs) and ward-level coordination committees (WLCCs) with adequate representation of the poor. In all, 382 and 1,022 poor representatives, respectively, were included in the TLCCs and WLCCs. In addition, 195 slums were upgraded in the 27 target pourashavas, and one slum improvement committee (SIC) was set up in each pourashava. The participation of the poor in the decision-making process influenced the selection and design of the infrastructure interventions and made them pro-poor.

b. Poverty Reduction Action Plan

3. A poverty reduction action plan (PRAP) had been prepared with identified budget and implementation plans in 35 pourashavas by June 2012. The project provided the new and improved and expanded markets, bus and truck terminals, transportation services, commodity supply chains, processing of commodities and other items. It created economic opportunities and improved services for the poor.

4. Comparison of the baseline and survey information at project completion noted a significant increase in the household income of slum dwellers as well as general households. The annual average household income of slum dwellers increased from Tk44,320 to Tk113,352, while that of general households (including at least 20% of poor households) increased from Tk116,110 to Tk192,206. The improved urban facilities and services—particularly the roads, drainage, water supply, electricity, sanitation, solid waste management—significantly improved the living conditions of all city dwellers, including the poor. Increased access to economic opportunities, increased employment and income, and improved living conditions contributed to considerable poverty reduction in the target pourashavas. The project spent Tk199,974,422 out of a separate budget for Tk401,727,105 (49.78% of that budget) under the poverty reduction action plan during 2011–2012 and 2013–2014.

B. Social and Involuntary Resettlement Impact

5. The project addressed several social safeguard issues and other risks, such as involuntary resettlement and indigenous peoples and labor.

a. Involuntary Resettlement and Indigenous Peoples Safeguards

6. The project has been classified as category B for both involuntary resettlement and indigenous peoples safeguards. A draft resettlement framework was prepared following Bangladesh's Acquisition and Requisition of Immovable Property Ordinance of 1982 (and its succeeding amendments) and ADB's Involuntary Resettlement Policy, 1995 (pre-Safeguard Policy Statement) during the project preparation in 2009. The resettlement framework was revised in January 2011 to include implementation facilitation and voluntary resettlement (including voluntary removal of assets and land donations for the project).

7. All the subprojects were screened for involuntary resettlement and impacts on indigenous peoples. Among the districts where the project municipalities are located, the possibility of affecting indigenous peoples occurred in Khagrachari, Bandarban, and Mymensingh. The project was categorized B for indigenous peoples, to overcome any unanticipated adverse impacts on them. But subprojects under the project are located only within the urban area and do not affect any cluster or habitation area where indigenous people reside. Therefore, the subprojects had no adverse impacts on indigenous peoples.

8. A total of 24,792 acres of private land were acquired from 47 people affected by the project. The resettlement impacts were mostly for removal of 661 trees and for shifting temporary boundary walls and shops. A total of 772 households were affected; among them, 528 were for temporary shifting of shops. None of the households were significantly affected under the definition of SPS 2009. The overall budget for Land Acquisition and Resettlement was Tk200,213,491, of which Tk180,748,721 has been paid. The rest of the budget was not required as the majority of the affected people removed their trees and temporarily shifted structures from government land voluntarily. In such cases, written consent of the affected people or local community was obtained and documented by the respective pourashava officials.

9. Of 47 municipalities, 14 proposed 30,682 acres of land acquisition, but eventually 24,792 acres of land were acquired from 10 pourashavas (Faridpur, Bhanga, Satkhira, Sreemangal, Chowmuhoni, Patgram, Ghorashal, Benapole, Nachol, and Cox's Bazar). The initial plan was to conduct 10 orientation cum safeguards implementation trainings. In the end, only 5 were conducted. Among the 28 participating pourashavas, 8 were from the project-affected pourashavas. In phase III, three pourashavas were dropped from the original program on the basis of their performance in phase II and one due to the change of status of pourashava to city corporations. The requirement for environmental clearance, claims by local members of parliament against proposed land, and delays in funds transfer are among the reasons for the dropouts.

10. Land acquisition and resettlement activities were completed by May 2015 in compliance with the resettlement framework. To minimize land acquisition and resettlement impact, the Local Government Engineering Department (LGED) adopted measures such as requiring community consensus on the location of community facilities. Social safeguards specialists visited the proposed subprojects and conducted involuntary resettlement impact screenings. Monitoring reports by the safeguard team in the project were submitted biannually.

11. All 47 municipalities had grievance redress committees headed by the mayors. It has been verified that all the affected households have restored their preproject living conditions and that there are no unresolved grievances for the project. The project has been complying with all the safeguard-related loan covenants on land acquisition, involuntary resettlement, and indigenous people, as well as local laws and policies during all stages of the project.

b. Labor

12. The project created significant employment opportunity in the target pourashavas in civil works for construction, rehabilitation, and repair of urban infrastructure and services. In addition, the facilities and services will require labor support on a regular basis for operation and maintenance. The employment creation under the project has considerable impact.

DETAILED PROJECT COSTS AT APPRAISAL VERSUS AT COMPLETION
(\$ million)

Item	At Approval	At Completion
A. Base Cost		
1. Urban Infrastructure and Service Delivery		
Civil Work	99.0	118.09
Equipment and Vehicles	12.4	12.22
Land Acquisition and Resettlement	6.3	2.64
Total Base Cost - Subtotal (A1)	117.7	132.95
2. Governance Improvement and Capacity Development		
Consultancy	3.3	7.97
Capacity Development, Workshops, and Campaigns	5.8	4.43
Incremental Recurrent Costs	0.8	1.03
Subtotal (A2)	9.9	13.43
3. Project Management and Implementation Support		
Equipment and Vehicles	1.2	0.71
Consulting Services	6.5	5.97
Incremental Recurrent Costs	6.7	8.64
Subtotal (A3)	14.5	15.32
Subtotal (A1 – 3)	142.1	161.70
4. Tax and Duties-Subtotal (A4)	10.7	4.95
Subtotal (A1 + A2 + A3 + A4)	152.8	166.65
B. Contingencies		
Physical Contingencies	7.8	0.0
Price Contingencies	4.0	0.0
C. Financing Charges During Implementation	2.9	1.76
Total Project Cost (A + B + C)	167.5	168.41

Source: Asian Development Bank

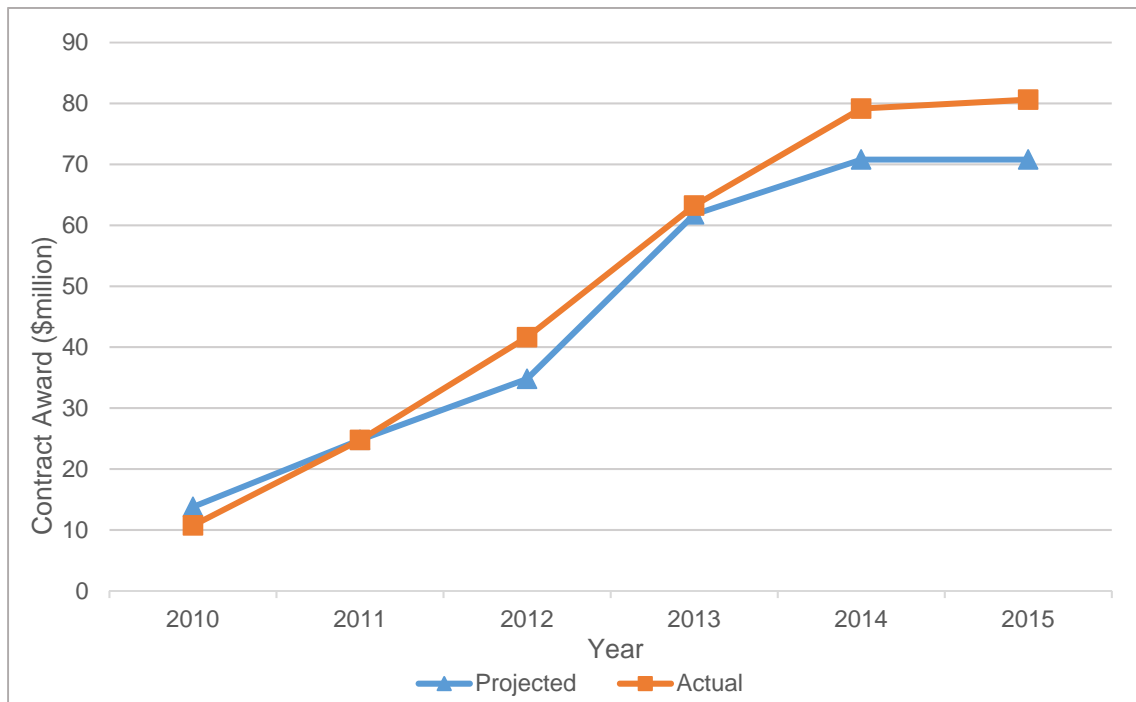
CONTRACT AWARDS AND DISBURSEMENTS – PROJECTED VERSUS ACTUAL

Table A7.1: Contract Awards Projected versus Actual
(\$ million)

Year	By Year		Cumulative	
	Projected	Actual	Projected	Actual
2010	13.79	10.735	13.79	10.735
2011	11.00	14.031	24.79	24.766
2012	10.00	16.857	34.79	41.623
2013	27.00	21.607	61.79	63.230
2014	9.00	15.927	70.79	79.157
2015	0.00	1.471	70.79	80.628
Total	70.79	80.628		

Source: Asian Development Bank

Figure A7.1: Projected and Actual Contract Awards

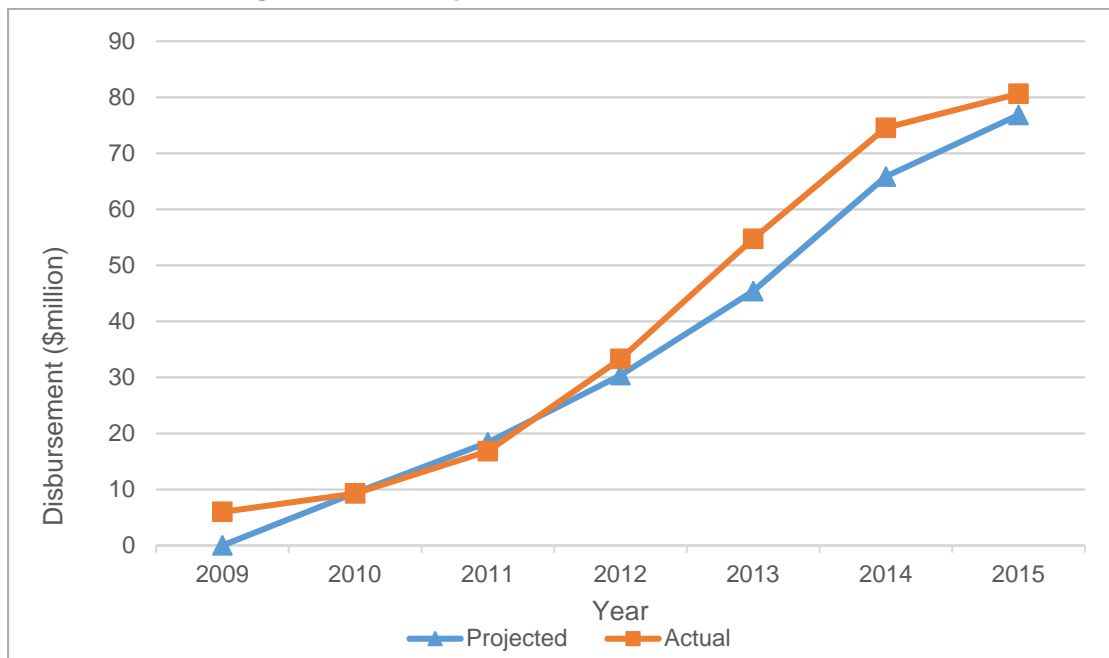


Source: Asian Development Bank

Table A7.2: Disbursement Projected versus Actual

Year	By Year		Cumulative	
	Projected	Actual	Projected	Actual
2009	0.000	6.038	0.000	6.038
2010	9.394	3.356	9.394	9.394
2011	9.000	7.650	18.394	17.044
2012	12.000	16.692	30.394	33.736
2013	15.000	21.834	45.394	55.57
2014	20.450	20.413	65.844	75.983
2015	11.000	6.408	76.844	82.391
Total	76.844	82.391		

Source: Asian Development Bank.

Figure A7.2: Projected and Actual Disbursement

Source: Asian Development Bank.

CHRONOLOGY OF MAJOR EVENTS AND CIVIL WORKS CONTRACTS

Date	Events
A. General	
2007	9–21 March Loan fact-finding mission fielded 26 May Management Review Meeting held
2008	16 Jun–1 July Loan appraisal mission 28 October Board approval 4 November Loan agreement and Project Agreement between Government of Bangladesh and ADB signed
2011	19 November Loan declared effective 3–5 May Loan review mission fielded 22–25 October Loan review mission fielded 27–30 October Loan review mission fielded
2012	21 April–7 May Loan midterm review mission fielded 10–26 November Loan review mission fielded 17 May–5 June Loan review mission fielded
2013	26 April ADB approved the loan reallocation 7–21 November Loan review mission fielded
2014	6–22 May Loan review mission fielded 18–30 October Loan review mission fielded
2016	9 October Loan closing date 20 December Project completion review mission fielded
B. Procurement	
Consulting Services – Project Management Design and Supervision (MDS) – Quality- and Cost-Based Selection/Full Technical Proposal	
2008	13 August Date of advertisement 18 August ADB received the draft TOR 18 August ADB provided comments on the draft TOR 9 November ADB Received Submission 1: Shortlisting of Consulting Firms and Request for Proposals
	23 December ADB approved Submission 1 30 December RFP issued
2009	12 February ADB received request for extension of proposal submission date 16 February ADB approved extension of proposal submission date 11 March ADB received request for clarification on withdrawal of technical proposal 17 March ADB provided clarification on withdrawal of technical proposal 24 March Opening of technical proposals 11 June ADB received Submission 2: Technical Evaluation Report (TER) 16 June ADB requested submission of technical proposals of the shortlisted consulting firms 18 June ADB received technical proposals of the shortlisted consulting firms 9 July ADB requested reevaluation and resubmission of TER 8 September ADB received reevaluated TER 21 October ADB received subsequent documents 29 October ADB approved Submission 2 3 November Public opening of financial proposals 12 November ADB received Submission 3: Financial Proposals Evaluation and Overall Ranking of Proposals 15 November COSO Received Submission 3 23 December COSO Approved Submission 3 23 December ADB approved Submission 3 27 December Executing agency issued invitation for contract negotiations

Date		Events
2010	20 January	Executing agency contract negotiations held
	7 February	ADB received Submission 4: Draft Negotiated Contract
	9 February	ADB provided comments on Submission 4
	18 February	ADB received the revised Submission 4
	22 February	ADB approved Submission 4
	28 April	Consulting contract signed
	3 May	Executing agency issued the Notice to Proceed
	5 May	ADB received the signed consulting contract
	10 May	Consultant mobilized
Consulting Services – Governance Improvement and Capacity Development – Quality- and Cost-Based Selection/Full Technical Proposal		
2008	13 August	Date of advertisement
	18 August	ADB received the draft TOR
	18 August	ADB provided comments on the draft TOR
	4 December	ADB Received Submission 1: Shortlisting of Consulting Firms and Request for Proposals
	18 December	ADB approved Submission 1
	24 December	RFP issued
2009	19 March	Opening of technical proposals
	12 April	ADB received Submission 2: Technical Evaluation Report (TER)
	22 April	COS1 Approved Submission 2
	13 May	ADB approved Submission 2
	26 May	Public opening of financial proposals
	16 June	ADB received Submission 3: Financial Proposals Evaluation and Overall Ranking of Proposals
	12 July	ADB approved Submission 3
	16 July	Executing agency issued invitation for contract negotiations
	18 August	executing agency contract negotiations held
	1 September	ADB received Submission 4: Draft Negotiated Contract
	14 September	ADB approved Submission 4
2010	4 February	Consulting contract signed
	10 February	Executing agency issued the Notice to Proceed
	22 February	ADB received the signed consulting contract
	1 March	Consultant mobilized
Works-UGIIP-II-2/JHAL/UT/01-06/2011-06/2011 (6 packages: UT/01, UT/02, UT/03, UT/04, UT/05, UT/06)– Single Stage One Envelope		
2011	2 March	ADB received the IFB and BD
	8 March	ADB approved the revised IFB and BD
	26 March	BD issued
	18 April	Bid opening held
	26 May	ADB received the BER
	26 June	ADB approved the contract awards
	31 July	Contracts signed
	24 August	ADB received the signed contracts
Works-UGIIP-II-2/BARG/UT/01-04/2011-04/2011 (4 Packages: UT/01, UT/02, UT/03, UT/04) – Single Stage One Envelope - NCB		
2011	2 March	ADB received the IFB and BD
	8 March	ADB approved the revised IFB and BD
	31 March	BD issued
	20 April	Bid opening held
	15 September	ADB received the BER
	21 September	ADB approved the contract awards
	15 October	Contracts signed

Date	Events
18 October	ADB received the signed contracts
Works-UGIIP-II-2/GHOR/UTC/06/2011 – Single Stage, One Envelope - NCB	
2011	24 February ADB received the IFB and BD
	3 March ADB approved the revised IFB and BD
	27 March BD issued
	18 April Bid opening held
	13 September ADB received the BER
	21 September ADB approved the contract awards
	13 October Contracts signed
	23 November ADB received the signed contracts
Works-UGIIP-II-2/JHAL/DR/01/2011 – Single Stage, One Envelope – NCB	
2011	7 June ADB received the IFB and BD
	9 June ADB approved the revised IFB and BD
	10 July BD issued
	1 August Bid opening held
	2 October ADB received the BER
	9 October ADB approved the contract awards
	24 October Contracts signed
	29 November ADB received the signed contracts
Works- UGIIP-II-3/BHAN/UT/02/2012 – Single Stage, One Envelope – NCB	
2014	15 October ADB received the IFB and BD
	1 November ADB approved the revised IFB and BD
	9 November BD issued
	10 December Bid opening held
2015	18 January ADB received the BER
	22 January ADB provided comments on the BER
	14 March ADB received executing agency's response to the comments
	24 March ADB approved the contract awards
	5 April Contracts signed
Goods – UGIIP-II/LGED/ICB/09/G-01 – Single Stage, One Envelope - ICB	
2009	08 September ADB received the Standard BD (SBD) for ICB
	8 November ADB reviewed the SBD and returned for revision
	7 December ADB received the revised SBD
2010	18 January ADB approved the revised SBD
	29 January BD issued
	24 March Bid opening held
	19 April ADB received the BER
	13 May ADB approved the BER
	9 June Contracts signed
Goods – UGIIP-II/LGED/NCB/09/G-02 – Single Stage, One Envelope - NCB	
2009	9 March ADB received the IFB and BD
	12 March ADB approved the revised IFB and BD
	15 March BD issued
	29 April Bid opening held
	20 May ADB received the BER
	31 May ADB provided comments on the BER
	14 June ADB received executing agency's response to the comments
	29 June ADB approved the contract awards
	16 July Contracts signed
Goods – UGIIP-II/LGED/NCB/09/G-03– Single Stage, One Envelope	
2009	9 March ADB received the IFB and BD
	12 March ADB approved the revised IFB and BD

Date	Events
15 March	BD issued
29 April	Bid opening held
20 May	ADB received the BER
31 May	ADB approved the contract awards
11 June	Contracts signed
Goods – UGIIP-II/LGED/NCB/09/G-04– Single Stage, One Envelope	
2009	9 March ADB received the IFB and BD
	12 March ADB approved the revised IFB and BD
	15 March BD issued
	29 April Bid opening held
	20 May ADB received the BER
	31 May ADB approved the contract awards
	11 June Contracts signed
Goods – UGIIP-II/LGED/NCB/09/G-05– Single Stage, One Envelope	
2009	9 March ADB received the IFB and BD
	12 March ADB approved the revised IFB and BD
	15 March BD issued
	29 April Bid opening held
	20 May ADB received the BER
	31 May ADB approved the contract awards
	14 June Contracts signed
Goods – UGIIP-II/LGED/NCB/09/G-11– Single Stage, One Envelope	
2009	25 October ADB received the IFB and BD
	14 December ADB approved the revised IFB and BD
	23 December BD issued
2010	27 January Bid opening held
	7 February ADB received the BER
	10 February ADB provided comments on the BER
	22 February ADB received executing agency's response to the comments
	1 March ADB approved the contract awards
	14 March Contracts signed
Goods – UGIIP-II-3/LGED/ICB/G-53 – Single Stage, One Envelope- ICB	
2013	25 November ADB received the IFB and BD
	1 December ADB approved the revised IFB and BD
	9 December BD issued
2014	21 January Bid opening held
	25 May ADB received the BER
	17 June ADB approved the contract awards
	30 June Contracts signed

ADB = Asian Development Bank, ADBBO = ADB Business Opportunities, BD = bidding document, BER = bid evaluation report, BOQ = bill of quantity, CMS = Consultant Management System, COSO = Central Operations Services Office, IFB = invitation for bids, IFP = invitation for prequalification, NCB = national competitive bidding, TOR = terms of reference.

Source: Asian Development Bank.

PROJECT IMPLEMENTATION SCHEDULE – ORIGINAL AND ACTUAL

Description	Year	Quarter	2008		2009				2010				2011				2012				2013				2014				2015	
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Loan Preparation																														
Loan Effectiveness	Original																													
	Actual																													
Recruitment of Consultants (Advance Action)	Original																													
	Actual																													
Assignment of Project Staff (PMO and PIU)	Original																													
	Actual																													
Announcement of UGIAP to Pourashava	Original																													
	Actual																													
Phase I																														
Implementation of UGIAP Phase I	Original																													
	Actual																													
Preparation of PDP	Original																													
	Actual																													
Performance Evaluation of UGIAP Phase I	Original																													
	Actual																													
Land Acquisition for phase II Physical Investments	Original																													
	Actual																													
Phase II																														
Implementation of UGIAP Phase II	Original																													
	Actual																													
Detailed Design and Bid Preparation	Original																													
	Actual																													
Conclusion of Subproject Agreement and Subsidiary Loan Agreement	Original																													
	Actual																													
Tendering and Contract Awarding	Original																													
	Actual																													
Implementation and Supervision of Physical Works	Original																													
	Actual																													
Performance Evaluation for UGIAP Phase II	Original																													
	Actual																													
Land Acquisition for Phase III Physical Investments	Original																													
	Actual																													
Phase III																														
Implementation of UGIAP phase 3	Original																													
	Actual																													
Detailed Design and Bid Preparation	Original																													
	Actual																													
Conclusion of Subproject Agreement and Subsidiary Loan Agreement	Original																													
	Actual																													
Tendering and Contract Awarding	Original																													
	Actual																													
Implementation and Supervision of Physical Works	Original																													
	Actual																													
Review and Monitoring																														
Quarterly Progress Report from PIU to PMO, and from PMO to DPs	Original																													
	Actual																													
Operations Review Missions	Original																													
	Actual																													
Midterm Review	Original																													
	Actual																													

DP = Development Partner, PDP = pourashava Development Plan, PIU = Project implementation unit PMO = project management office, UGIAP = Urban Governance Improvement Action Program.

Legend: Original Plan  Actual 

STATUS OF COMPLIANCE WITH LOAN COVENANTS

Covenant	Reference in Loan Agreement	Status of Compliance
<p>(a) The Borrower shall (i) maintain, or cause to be maintained, separate accounts for the Project; (ii) have such accounts and related financial statements audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; (iii) furnish to ADB, as soon as available but in any event not later than six months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants of this loan agreement as well as on the use of the procedures for imprest account/statement of expenditures), all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.</p> <p>(b) The Borrower shall enable ADB, upon ADB's request, to discuss the Borrower's financial statements for the Project and its financial affairs related to the Project from time to time with the auditors appointed by the Borrower pursuant to Section 4.02(a) hereabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB, provided that any such discussion shall be conducted only in the presence of an authorized officer of the Borrower unless the Borrower shall otherwise agree.</p>	LA, Article IV Section 4.02	<p>Complied with.</p> <ul style="list-style-type: none"> • All annual Audited Financial Statements from effective date to closing (FY2009 to FY2015) were received and complied with on time; • All audit opinions issued were unqualified; • No specific opinions were issued on use of funds and financial compliance; • APFS for FY2015 was the final report and it captures all transactions incurred up to June 2015; • No outstanding audit observations.
<p>Inter-ministerial Steering Committee - The inter-ministerial committee established under the first ADB-funded Urban Governance and Infrastructure Improvement Project (Loan 1947-BAN(SF)), chaired by the Secretary of LGD and comprising senior-level representatives from LGD, LGED, the Planning Commission, the Economics Relations Division and the Finance Division of the Ministry of Finance, the Implementation Monitoring and Evaluation Division of the Ministry of Planning, the National Institute for Local Government, the Department of Public Health Engineering, the Ministry of Women and Children Affairs, and representatives of the pourashavas shall be expanded to include the Department of Environment. Its terms of reference shall be expanded to include supervision of the Project. The inter-ministerial steering committee shall meet whenever necessary but no less than once every three months to review the progress of the Project and guide its future direction.</p>	LA, Schedule 5 Para. 2	<p>Complied with.</p> <ul style="list-style-type: none"> • Meetings of the Inter-ministerial Steering Committee were held on a regular basis.
<p>Project Management Office- Within one month of the Effective Date, the Borrower shall have established a PMO which at all times during Project implementation shall be led</p>	LA, Schedule 5 Para. 3	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
<p>by a full-time Project Director (PD) at the level of an executive engineer. The PD of the Project shall be charged exclusively with the implementation of the Project and shall have no other duties within LGED. The PD shall be supported by two full-time Deputy Project Directors, one for the urban infrastructure and service delivery improvement component, and one for the governance improvement and capacity development component.</p>		<ul style="list-style-type: none"> The PMO was established with adequate staff in accordance with the provision of the development project proforma. The PMO was set up at 12 levels of LGED Bhaban with adequate space.
<p>The Borrower shall ensure that the PMO shall (i) prepare the overall Project implementation plan and consolidated annual work plan; (ii) assist the pourashavas in implementing the UGIAP; (iii) assist the pourashavas in implementing physical works and ensuring the quality of the works; (iv) monitor and supervise all Project implementation activities; (v) manage and supervise consultants under the Project; (vi) ensure compliance of all PIUs with loan assurances, including but not limited to those related to safeguards; and (vii) prepare necessary progress reports and Project completion report.</p>	LA, Schedule 5 Para. 4	Complied with.
<p>Project Implementation Units - The Borrower shall ensure that in each pourashava, a PIU shall be established within three months of the Effective Date. The PIU shall be headed by the pourashava Mayor, who shall be assisted by the Chief Executive Office. Each PIU shall comprise three sections; (i) the infrastructure improvement section, headed by the Executive Engineer or the Assistant Engineer, as the case may be; (ii) the urban governance improvement section, headed by the Secretary of the pourashava; and (iii) the environmental, sanitation and slum improvement section headed by the Health Officer. The PIU shall be located within the pourashava office and be responsible for (i) preparing the detailed annual work plan for the respective pourashava; (ii) implementing the governance improvement activities specified in the UGIAP, including the preparation and implementation of the PDP, GAP, and PRAP; (iii) implementing physical works, including the preparation of bid documents as well as procurement and supervision of contractors; and (iv) preparing progress reports for submission to the PMO.</p>	LA, Schedule 5 Para. 5	<p>Complied with.</p> <ul style="list-style-type: none"> The PIU comprising three sections—IIS, UGIS, and ESSIS—was established in each pourashava with adequate staff. Orientation on UGIIP-II for key personnel of all 47 pourashavas was completed
<p>Urban Management Support Unit - The UMSU established under the first ADB-funded Urban Governance and Infrastructure Improvement Project (Loan 1947-BAN(SF)) shall remain in place and provide support for the Project. The UMSU shall be headed by the Superintending Engineer of the Urban Management Wing of LGED. The Additional Chief Engineer (Urban Management) of LGED shall be responsible for the coordination of activities between the UMSU and the PMO. The UMSU shall be responsible for providing standard training modules to all pourashavas. The UMSU shall function as the secretariat for the</p>	LA, Schedule 5 Para. 6	<p>Complied with.</p> <ul style="list-style-type: none"> The UMSU regularly conducted a nationwide tailor-made training program created under UGIIP-I in computerization of tax records, accounting systems,

Covenant	Reference in Loan Agreement	Status of Compliance
municipal performance review committee which shall be responsible for assessing the performance of the pourashavas.		water billing software and so on. They also conducted orientation and refresher training at both national and local levels.
Financial and Personnel Matters – The Borrow shall provide all required and agreed counterpart funds for Project implementation on time. That end, LGED shall make timely submissions of annual budgetary appropriation requests and ensure prompt disbursement of such appropriated funds.	LA, Schedule 5 Para. 8	Complied with. • Appropriate measures had been taken to ensure counterpart funds for implementation. Necessary budgetary appropriations were requested from the PMO and accordingly prompt disbursement ensued.
Financial and Personnel Matters - Within six months of the Effective Date, each PIU of a Class A pourashava shall have an urban planner in place. LGD shall ensure that this position shall remain filled throughout the duration of Project implementation.	LA, Schedule 5 Para. 9	Complied with. • The LGD completed the recruitment and posted 27 urban planners in 27 class A pourashavas under the project. A few left the job, and the PMO requested the LGD to fill the vacant post.
Financial and Personnel Matters - LGD shall take all appropriate and necessary measures to ensure that all times during Project implementation, the PIUs shall have at least 80% of all positions filled.	LA, Schedule 5 Para. 10	Complied with.
Financial and Personnel Matters - The Borrow shall take all appropriate and necessary measures, including through bonding arrangements in line with the Borrower's policy and guidelines, to ensure that pourashava officials who receive training under the Project shall not be transferred out of the pourashavas covered under the Project for the duration of the Project implementation.	LA, Schedule 5 Para. 11	Complied with.
Subproject Appraisal and Selection – LGED shall allocate all investment funds among pourashavas in accordance with the guidelines agreed upon between LGED, ADB, and other co-financiers, as set out in Appendix 6 to the RRP for the Project.	LA, Schedule 5 Para. 12	Complied with.
Subproject Appraisal and Selection - LGED shall ensure that all subprojects are selected and implemented in accordance with the subproject selection criteria agreed upon between LGED, ADB, and other co-financiers, as set out in Appendix 5 to the RRP for the Project.	LA, Schedule 5 Para. 13	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
Subproject Appraisal and Selection - LGED shall ensure that at least 5% of the investment funds allocated to a particular pourashava shall be earmarked and spent on basic services for the poor in slums	LA, Schedule 5 Para. 14	Complied with.
Subproject Appraisal and Selection - LGED shall ensure that there shall be no overlap of activities or programs between ADB-funded subprojects and projects funded by other development partners.	LA, Schedule 5 Para. 15	Complied with.
Policy Related Matters - Within one year of the Effective Date, the Borrower shall have approved the Urban Sector Policy. Within six months of the approval of the Urban Sector Policy, the Borrower shall have approved its implementing rules.	LA, Schedule 5 Para. 16	Partially complied with. <ul style="list-style-type: none">• A series of consultations was carried out with relevant stakeholders and a Final Urban Sector Policy placed in the cabinet division for approval.
Policy Related Matters - The Borrower shall ensure that the birth registration requirements of the 2004 Birth and Death Registration Act and its implementing rules shall not be an impediment for citizens, including the poor, to obtaining urban services, in particular utility connections.	LA, Schedule 5 Para. 17	Complied with. <ul style="list-style-type: none">• To obtain urban services and utility connections, the Birth and Death Registration Act of 2004 was not an impediment for citizens, including the poor.
Social Inclusion Issues - The guidelines for the PDPs shall include specific provisions for the representation of women and of the urban poor in the TLCC and WLCCs in each pourashava. Each TLCC shall have at a minimum seven representatives of urban poor, and each WLCC at least two. These representatives shall be appointed by the respective TLCC or WLCC chairperson, after nomination by the urban poor themselves, and shall include the chairperson of the slum improvement committee, where such committee exists, as well as representatives from CBOs. In addition, at least 16 of TLCC members and 4 of WLCC members shall be women.	LA, Schedule 5 Para. 18	Complied with. <ul style="list-style-type: none">• The number of representatives meets the target indicated in the covenant.
Social Inclusion Issues - LGED shall ensure that gender issues shall be duly considered in Project Implementation in accordance with the project's GAP. LGED shall ensure that sufficient resources shall be allocated to ensure the timely and effective implementation of such plan.	LA, Schedule 5 Para. 19	Complied with. <ul style="list-style-type: none">• The PMO took appropriate measures to consider gender issues in accordance with the project's GAP, and budget allocation for a GAP in each pourashava has been

Covenant	Reference in Loan Agreement	Status of Compliance
		maintained in accordance with the requirement of the GAP.
Safeguard Matters - The Borrower shall ensure that sufficient funds to cover the costs of land acquisition and involuntary resettlement shall be made available in a timely manner.	LA, Schedule 5 Para. 20	Complied with. <ul style="list-style-type: none">• Appropriate measures were taken to allocate funds required for land acquisition and involuntary resettlement.
Safeguard Matters - LGED shall ensure that all land and right-of-way required shall be made available in a timely manner, and that compensation at replacement value and other entitlements shall be paid to affected people prior to the award of any civil works contract. LGED shall ensure that any involuntary resettlement and land or asset acquisition shall be in full compliance with (a) the resettlement framework agreed upon between LGED and ADB, and (b) the resettlement plan for the subproject. LGED shall ensure that all pourashavas shall publicly disclose the draft resettlement plan for any subproject, in places and using language accessible to all affected people, prior to submission of such plan to ADB for ADB's review, approval, and disclosure on ADB's website. Immediately upon receiving external monitoring reports, LGED shall submit such reports to ADB for disclosure on its website.	LA, Schedule 5 Para. 21	Complied with.
Safeguard Matters – LGED shall ensure that the preparation and implementation of all sub-projects shall fully comply with ADB's Environment Policy (2002), as well as with relevant national and local environmental laws and regulations. All mitigation and monitoring mechanisms set out in the initial environmental examinations as well as the entire environmental assessment and review procedures shall be fully complied with throughout Project implementation. LGED shall ensure that environmental requirements shall be incorporated in bidding documents and civil work contracts.	LA, Schedule 5 Para. 22	Complied with. <ul style="list-style-type: none">• Appropriate measures were taken in connection with the initial environmental examinations (IEE) in preparation for each subproject. Latest safeguards monitoring report updated and disclosed.
Safeguard Matters – LGED shall ensure that the preparation and implementation of all subprojects shall fully comply with ADB's Policy on Indigenous People (1998), as well as with the Indigenous Peoples Development Framework for the Project, agreed upon between LGED and ADB, as set out in supplementary appendix N to the RRP for the Project.	LA, Schedule 5 Para. 23	Complied with. <ul style="list-style-type: none">• Appropriate measures taken by the PMO at the time of preparation of subprojects.
Safeguard Matters - The Borrower shall ensure that all civil works contractors comply with all applicable labor laws, do not employ child labor as defined in national legislation for	LA, Schedule 5 Para. 24	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
construction and maintenance activities, and do not differentiate wages between men and women for work of equal value		
Anticorruption Measures - Within six months of the Effective Date, LGED shall have created a Project website, including for procurement matters. The website shall disclose at least the following information: (a) the list of participating bidders; (b) the name of the winning bidder; (c) the details on the bidding procedures adopted; (d) the amount of the contract awarded; and (e) the goods and services procured.	LA, Schedule 5 Para. 25	Complied with. <ul style="list-style-type: none">• The project website was activated and necessary project documents were hosted through the PMO.
Anticorruption Measures - pourashavas shall provide all TLCC members with information on procurement matters disclosed on the procurement website mentioned in paragraph 25 above.	LA, Schedule 5 Para. 26	Complied with. <ul style="list-style-type: none">• Appropriate measures have been taken through the PMO.
Project Reviews - LGED, ADB, and co-financiers shall jointly review the Project twice a year.	LA, Schedule 5 Para. 27	Complied with.
Project Reviews - Within three years of the Effective Date, LGED, ADB, and co-financiers shall jointly conduct a comprehensive midterm review (MTR) of Project implementation. The MTR shall (i) evaluate the Project scope, design, and implementation arrangements; (ii) evaluate the progress made on physical and governance improvements; (iii) review in detail the level of implementation of the POP, including the GAP and PRAP, and the extent to which women and urban poor have been included in the implementation of the Project; (iv) evaluate the effectiveness of the training programs provided by the PMO and UMSU; (v) review the staffing of the pourashavas; (vi) assess pourashavas' performance against performance indicators; (vii) evaluate the performance of all committees established under the Project; (viii) review compliance with loan covenants; and (ix) identify critical issues and constraints, if any, and make recommendations in any or all of the above areas. At the latest one month prior to the MTR, LGED shall submit to ADS a comprehensive report on each of the above-mentioned issues.	LA, Schedule 5 Para. 28	Complied with. <ul style="list-style-type: none">• The LGED, ADB, KfW, and GIZ jointly conducted a comprehensive midterm review on progress of project implementation during November 2012, where all the areas mentioned in the governments were reviewed and appropriate recommendations made.
Project Performance Monitoring System - Within nine months of the Effective Date, the PMO shall have collected the initial baseline physical and socio-economic information and shall have submitted for ADB's review and concurrence a detailed implementation plan for monitoring performance and for preparing benchmark information. Where appropriate, data shall be segregated by gender.	LA, Schedule 5 Para. 29	Complied with.

RECRUITMENT OF CONSULTANTS AND PROCUREMENT OF EQUIPMENT AND VEHICLE

Table A11.1: Utilization of Consulting Services- Planned vs Actual

Package/Donor	Person-months			Actual Cost (US\$)		Total
	RRP Provision	Contracted	Actual Utilization	Donor Contribution	Government Contribution	
1 GICD/ADB	876	855.14	855.14	2,556,257.00	474,951.55	3,031,208.55
2 MDS/ADB	3,414 ^a	2,888.84 ^b	2,884.84	4,373,391.00	823,841.18	5,197,232.18
3 Individual/ADB	156 ^c	324.00	324.00	603,777.00	108,298.63	712,075.63
4 Technical Audit/KfW	...	18.00	18.00	56,573.53	18,371.32	74,944.85
5 GPD/GTZ	360	388.00	388.00	4,938,178.19	...	4,938,178.19
Total	4,974	4,473.98	4,469.98	12,528,176.72	1,425,462.68	13,953,639.40

GICD = governance improvement and capacity development, MDS = management design supervision, GPD = governance program development.

^a Includes 96 pm international input.

^b Includes 80.19 pm international input.

^c Urban governance specialist (team leader) - 72 pm; social and safeguards monitoring specialist - 36 pm; benefit indicator specialist - 48 pm.

Table A11.2: Procurement of Office Equipment

Item	Method of Procurement	Quantity Procured by Funding Source		
		ADB	KfW	Total
1 Photocopier (Black and white)	NCB	35	13	48
2 Photocopier (Colored)	NCB	1	0	1
3 Facsimile machine	NCB	33	14	47
4 Computer, Printer, and UPS	NCB	145	56	201
5 Multimedia Projector	NCB	38	14	52
6 Notebook/Laptop	NCB	3	0	3
7 Palmtop	NCB	5	0	5

NCB = national competitive bidding, UPS = uninterrupted power supply.

Table A11.3: Procurement of Vehicles

Item	Method of Procurement	Quantity Procured by Funding Source		
		ADB	KfW	Total
1 4WD Vehicle	ICB	5	0	5
2 Microbus	NCB	2	0	2
3 Motorbike	NCB	62	24	86
4 Double Pickup Van	ICB	34	14	48
5 Garbage Pickup Van (1.5 ton)	ICB	59	24	83
6 Garbage Pickup Van (3 ton)	ICB	39	19	59
6 Garbage Rickshaw Van	NCB	842	922	1,764

ICB = international competitive bidding, NCB = national competitive bidding.

Table A11.4: Procurement of Construction and O&M Equipment

Item	Method of Procurement	Quantity Procured by Funding Source		
		ADB	KfW	Total
1 Survey Equipment	NCB	37	14	51
2 Vacuum Clearer (Road Cleaner)	ICB	11	5	16
3 Excavator	NCB	22	6	28
4 Hydraulic Beam Lifter	ICB	27	9	36
5 Static Roller	ICB	23	12	35
6 Vibratory Roller	ICB	23	12	35

ICB = international competitive bidding, NCB = national competitive bidding.

MAJOR CONTRACTS FINANCED BY THE ASIAN DEVELOPMENT BANK

Contract No.	PCSS No.	Contract Description	Procurement Method	Contract Date	Contractor/ Supplier/ Consultant	Contract Value (Tk)	ADB Financing (Tk)	ADB Financing (US\$)
A. Civil Works								
UGIIP-II-2/NOAK/DR/01/2011	0234	Construction of 1,850m RCC Drain from Chagalmara to Gabu Khal with Footpath in Noakhali pourashava	NCB	26-Jun-12	M/S. Rupali Traders	56,907,888	49,225,324	632,960
UGIIP-II-2/NOAK/DR/02/2011	0235	Construction of 1,400m RCC Drain from Chagalmara Khal to Gabua Khal with Footpath In Noakhali Pour	NCB	26-Jun-12	M/S. G.M. Sons	67,559,756	58,439,189	751,436
UGIIP-II-2/NOAK/DR/03/2011	0236	Construction Of 2,530m RCC Drain from Chagalmara Khal to Gabua Khal	NCB	26-Jun-12	M/S. Rupali Traders	75,945,240	65,692,633	844,704
UGIIP-II-3/PABN/UT/01/2012	0263	Construction, Improvement & Repair of 11,025 M Road by Bituminous Carpeting & CC & Construction/Repair	NCB	21-May-13	M/S. Dhrubo Construction	45,100,654	39,012,066	501,634
UGIIP-II-3/BENA/DR/01/2012	0265	Construction Of 2,849 M Drain with Footpath In 2 Locations in Benapole pourashava	NCB	2-May-13	M/S. Kazi Mahbubur Rahman	47,992,761	41,513,739	533,801
UGIIP-II-3/PATU/UT/01/2012	0269	Rehabilitation & Improvement of 6,270 M Road by Bituminous Carpeting & CC in 11 Locations in Patuakhali	NCB	22-May-13	M/S. Polli Stores-Mohiuddin	51,980,770	44,963,366	578,158
UGIIP-II-3/GOPA/UT/01/2012	0270	Improvement of 6,025 M Road By Bituminous Carpeting & HBB And Construction of 1,750 M Drain	NCB	16-May-13	M/S. Niaz Traders	57,276,585	49,544,246	637,061
UGIIP-II-3/SATK/UT/01/2012	0271	Repair and Rehabilitation of 8,865 M Road In 7 Locations of Satkhira pourashava	NCB	26-May-13	AE & IJ Consortium	45,526,392	39,380,329	506,369
UGIIP-II-3/KUSH/UT/01/2012	0292	Rehabilitation, Reconstruction & Repairing of 9,676 M Road in Various Locations in Kushtia pourashava	NCB	6-Oct-13	AHS-AC (JV)	56,797,668	49,129,983	631,734
UGIIP-II-3/SREEM/MF/01/2012	0336	Construction of pourashava Auditorium Cum Community Center for Sreemongol pourashava	NCB	9-Jan-14	BS (JV)	60,530,954	52,359,276	673,258
UGIIP-II-3/COXS/DR/01/2012	0356	Construction of 1,275 M RCC Drain in 9 Cross Drain Guide Wall, V-Drain Retaining & Improvement of 1,160 M Road	NCB	15-Jun-14	M/S. HA Consortium	71,131,391	61,528,654	791,162

Contract No.	PCSS No.	Contract Description	Procurement Method	Contract Date	Contractor/ Supplier/ Consultant	Contract Value (BDT)	ADB Financing (Tk)	ADB Financing (US\$)
B. Equipment & Vehicles Component								
UGIIP-II/LGED/ICB/G-31	0011	43 Nos. of Garbage Dump Truck	ICB	28-Oct-10	Sml Isuzu Limited (L/Agent: Uttara Motors Ltd.)	61,790,287	61,790,287	794,526
UGIIP-II/LGED/ICB/09/G-33	0012	Procurement of 23 Units Vibratory Road Roller (4 Ton) with Spare Parts	ICB	24-Nov-10	Wirtgen Singapore Pte. Ltd.	78,165,538	78,165,538	1,005,086
UGIIP-II/LGED/ICB/09/G-38	0015	Procurement Of 36 Units Garbage Dump Truck (3 Ton) with Spare Parts & Training to Operational Staff	ICB	18-May-11	Powerplus Group Pte. Ltd.	98,334,721	98,334,721	1,264,430
UGIIP-II/LGED/ICB/G-37	0098	Procurement of 23 Units Static Road Roller (8 Ton, Model No. Ltc208s) Including Mandatory Spare Parts	ICB	2-Oct-11	YTO International Ltd.	79,332,866	79,332,866	1,020,096
UGIIP-II/LGED/ICB/G-54/LOT-1	0324	Procurement of 26 Units Hydraulic Beam Lifter with Spare Parts, Related Services, Local Transportation	ICB	30-Jun-14	Dasan Heavy Industries Co. Ltd.	78,858,780	78,858,780	1,014,000
UGIIP-II/LGED/ICB/G-53	0348	Procurement of 22 Units Excavator with Mandatory Spare Parts	ICB	30-Nov-14	Takeuchi Mfg. Co. Ltd.	71,549,878	71,549,878	920,019
C. Consulting Services								
GICD/UGIIP-II/01/2009	0001, 0005	Consultancy for Governance Improvement and Capacity Development (GICD)	QCBS	26-Dec-09	Sodev Consult and Associates	191,438,148	191,438,148	2,556,257
MDS/UGIIP-II/02/2010	0004	Management, Design and Supervision Consultancy (MDS) Consultancy Service	QCBS	31-Dec-14	STUP Consultants Pvt. Ltd., ORG Pvt. Ltd.	344,244,783	344,244,783	4,426,447

Source: Asian Development Bank

ECONOMIC REEVALUATION

A. Introduction

1. The project was designed and implemented during 2009–2015 in 47 target pourashavas.¹ Its primary objectives were to promote sustainable human development, economic growth, and poverty reduction by improving governance in the selected pourashavas and developing their capacity to improve and maintain urban infrastructures and related services delivery. The project comprised three outputs: (i) urban infrastructure and service delivery, (ii) governance improvement and capacity development (GICD), and (iii) project management and support services.

B. Overall Assessment

3. At appraisal, the target pourashavas lacked sufficient urban infrastructure and services to meet the demand of the growing urban population. The limited existing infrastructure was mostly dilapidated, requiring renovation, repair, and expansion. The pourashavas also lacked necessary funds, skilled manpower, urban planning capacity, and an effective urban services delivery mechanism. As a result, there was large unmet demand for infrastructure and services such as roads, bridges, culverts, drainage, urban transportation, market facilities, water supply, sanitation, and electricity. The project introduced systematic urban planning through the recruitment of an urban planner, preparation of a base map and a land use map, and annual operation and maintenance (O&M) plans, which led to better planning and improved decision making on drainage, water supply, solid waste management, and other urban infrastructure and services.

4. The project first improved governance and capacity building of the target pourashavas in phase I, over 18 months. In this phase, each pourashava formed its town-level coordination committee (TLCC) and ward-level coordination committee (WLCC) with participation of women and poor citizens; introduced a citizen report card and grievance redress cell; recruited a town planner; prepared a pourashava development plan, poverty reduction plan, organizational development plan, base map, and annual O&M manual; and developed 195 slums in 27 pourashavas before improvement of urban infrastructure using development funds. The phase also included the introduction of assessment of holding tax and the establishment of an efficient computer-based tax assessment, billing, collection, and accounting and recordkeeping system. As a result, assessment and collection of holding tax doubled in the first year of introduction and continued to increase regularly every year thereafter at a rate of about 10%, and the pourashavas were cleared of all their past debts.

5. Consequently, upon improvement of governance and capacity, pourashavas became eligible for phase II (24 months), to receive development funds for the improvement of urban infrastructure and services delivery. In all, the project developed 1,025.58 km of roads; constructed 4.431 km of road dividers, 39 m of bridges, 313 m of culverts, and 4 boat landings; and improved traffic systems in 35 pourashavas. The pourashavas prepared drainage master plans, rehabilitated 19.44 km of drainage, and constructed 110.50 km of new drains in 40 pourashavas. Furthermore, 73 transfer stations, 2 solid waste recycling plants, 146 dustbins, and 5 dumping grounds were established. For improvement of water supply, 30.44 km of new pipelines, 9 production tube wells, and 177 hand tube wells were constructed. To improve sanitation conditions, 56 public toilets and 327 community toilets were constructed in city areas

¹ The project originally targeted 51 pourashavas but 4 were dropped, 3 for failure to meet target criteria and 1 because it was upgraded to a city corporation.

for public use. Two bus terminals and one truck terminal were also established to improve the municipal transportation system. In addition, 2 parks, 4 municipal markets and 23 kitchen markets, 11 slaughterhouses, and 4 community centers were established. The project developed 195 slums in 27 pourashavas and provided therein 58.44 km of footpaths, 26 km of drainage, 4,644 community toilets, 937 hand tube wells, 690 meter water supply pipelines, 189 dustbins, and 367 streetlights.

C. Project Costs

6. The project fund resources were allocated for seven major activities: (i) basic urban infrastructure and service delivery, (ii) GICD, (iii) project management and implementation support, (iv) tax and duties, (v) physical contingencies, (vi) price contingencies, and (vii) financing charges during implementation. The breakdown of the original and actual costs by major activities is in Table A13.1.

Table A13.1: Project Costs at Appraisal and at Completion

Item	Funds by Output (\$ million)			
	At Appraisal		At Completion	
	Amount	%	Amount	%
Base Cost				
1 Basic urban infrastructure and service delivery	117.70	70.27	132.95	78.94
2 Governance improvement and capacity development	9.90	5.91	13.43	7.97
3 Project management and implementation support	14.50	8.65	15.32	9.10
4 Tax and duties	10.70	6.39	4.95	2.94
5 Physical contingencies	7.80	4.66	0.00	0.00
6 Price contingencies	4.00	2.39	0.00	0.00
7 Financing charges during implementation	2.90	1.73	1.76	1.05
Total	167.50	100.00	167.59	100.00

Source: Asian Development Bank Estimates and LGED Project Completion Report.

D. Project Benefits

7. The project has improved essential urban infrastructure and services (roads, bridges, culverts, drainage, water supply, sanitation, bus/truck terminals, slaughterhouses, markets, community centers, etc.); improved urban governance in target pourashavas (introduced town planning, citizen cards, TLCCs, WLCCs, SICs, and CBOs; reformed tax assessment and collection, and modernized accounting and tax records, and so on); and efficiently implemented the project, completing all target activities on time without any extensions. The improved urban infrastructure and services enhanced citizens' access to economic centers and services and reduced travel time and improved overall urban environment for all citizens, including slum dwellers. The target pourashavas became able to (i) effectively plan and implement urban development and related activities, (ii) increase taxes and clear past debts, and (iii) undertake O&M of urban facilities with their own income.

8. The major outcomes include reduced travel time and vehicle operating cost, reduced traffic congestion, expansion of business opportunity, expanded hygienic sanitation, hygienic public and community toilets, and environmentally safe solid waste collection and disposal systems. According to the baseline and end line survey,² more than 95% of citizens expressed satisfaction with the improvement of the status of governance in the pourashavas and the improved urban infrastructure facilities and services delivery. The average household incomes of slum and non-slum households have increased respectively by 156% and 65.54%. The value of

² The baseline survey was conducted in 2012 and the end-line survey was conducted in March–April 2017.

residential and commercial lands within the pourashavas increased by 70.23% and 62.51% respectively. In addition, improvement of road conditions and expansion of road widths reduced the average travel time from household to city center from 12.38 minutes to 5.20 minutes, and traffic congestion improved considerably even though the urban population continued to increase.

E. Economic Analysis

9. This economic analysis is based on the cost-benefit analysis, which was conducted at project completion, covering the benefits derived and the actual investment made. The methodology and techniques follow the ADB Guidelines for the Economic Analysis of Projects.³ The economic analysis at project completion involved recalculating two major investment criteria: (i) economic internal return (EIRR), and (ii) net present value of the investments to determine economic viability. A sensitivity analysis with respect to eventual changes in cost and revenue was also undertaken to check the robustness of the EIRR estimates. The approach and assumptions underlying the economic reevaluation are the following:

- (i) All costs and prices are valued in a world price numeraire in FY2015 constant prices;
- (ii) Economic prices of investment costs and recurrent costs are estimated by converting the financial prices with a factor of 1.0 for traded goods, a factor of 0.9 for non-traded goods, and a shadow wage factor of 0.82 for skilled labor. Other expenses have been converted to economic costs by using a standard conversion factor of 0.9.⁴
- (iii) Taxes and duties are excluded because they represent transfer payments.
- (iv) A 12.0% economic discount rate has been used.
- (v) The economic life of the project is assumed to be 20 years after project completion, leaving no scrap value.
- (vi) The O&M cost estimated at 7.5% per year on capital cost.

10. The economic analysis considered the overall economic return of the project derived from both reform measures (improved level of governance and transparency and capacity development of pourashavas to ensure effective and efficient service delivery and sustainability) and improved urban infrastructure facilities and services. Governance improvement and capacity development played a key role in doubling tax revenue collection by pourashavas through timely reassessment and efficient collection, thereby clearing all past debts and undertaking O&M of urban infrastructure.

11. The economic benefits were quantified through a comparison of the conditions with and without the project for new construction, rehabilitation, repair and upgrading, and widening of roads in all selected municipalities, along with bridges and drainage construction. For vehicle operating cost (VOC) and travel time cost (TTC) calculations, vehicle category data from the project monitoring survey and project completion survey were used. Additional income from issuing and renewing trade licenses, rental charges of shops, and revenue from the lease of bus and truck terminals and parks were estimated from project monitoring survey data and the project completion survey.

12. The economic analysis was carried out for revenues earned directly from trade licenses, rental charge of shops and slaughterhouses, and lease money from bus and truck terminals; and indirectly from cost savings from reducing TTCs and VOCs. Surplus income from supply of water

³ ADB. 1997. *Guidelines for the Economic Analysis of Projects*. Manila.

⁴ A standard conversion factor of 0.9 was used in the present economic and financial analysis.

and electricity distribution has not been included, considering the marginal cost saving and insignificant investments made under the project on the two services. Costs of O&M of the urban infrastructures provided under the project have been considered as investments and estimated following the standard practice of 7.5% of capital cost per year.

13. The economic analysis is based on the total funds spent under the project as the financial outlay for all pourashavas, including all seven areas of activities and expenses as the total project cost. This includes cost of construction, repair, and rehabilitation of urban infrastructure facilities and services; improvement of governance and capacity of the pourashavas; and project management, including the costs of the consultancies that served as the key to successful project implementation. The financial costs of capital investment and O&M were converted to economic costs by a shadow rate factor of 0.9. All current costs at baseline in 2010 were adjusted to 2015 prices using an inflationary factor.

14. The benefits of the project have been measured for different components such as construction and rehabilitation and repair of project roads in terms of savings of VOCs and TTCs. VOCs of different types of vehicles have been collected from vehicle owners and operators at current prices before and after project conditions. Time savings have been estimated from the baseline data and survey data at completion. The average VOC savings was estimated on the basis of the cost of operation of different types of vehicles at current prices before and after the project. Travel time savings (to travel from household to prime commercial center of the pourashava) was estimated for before and after the project. The traffic volume was estimated through a survey in March–April 2017. Benefits also came from additional revenue earned from issuing and renewing trade licenses, rental charges of shops in kitchen markets and municipal markets leased to private shoppers, as well as rental charges realized from leasing the bus and truck terminals and parks.

15. The lease value of each bus or truck terminal and park, on average, is assessed as Tk200,000 per year, and lease or rent from shops of supermarkets and kitchen markets are on average Tk2,000 per month per shop in the 35 markets developed (with an average of 175 shops per market). Revenue collection from issuing and renewing trade licenses has been estimated from the monitoring reports as 320,433 trade licenses per year, at an average fee of Tk1,000 per trade license per year.

16. The economic reevaluation of the project with benefits derived from the improved urban infrastructure and services, including the effects of improved urban governance and capacity development of the municipalities, showed considerable returns of the investments made. The estimated net present value of the project benefits is \$124.76 million, and the overall EIRR for the project is 22.7%. The economic reevaluation is in Table A13.2.

F. Sensitivity Analysis

17. Sensitivity analysis has been carried out to test the impact of adverse economic and financial market conditions. The sensitivity analysis tested three probable critical conditions: (i) an increase in O&M cost by 10%, (ii) a decrease of benefits by 10%, (iii) a combined increase of O&M cost and decrease of benefits by 10%. The results showed that the returns remain stable with slight changes. This proved that the investment is justified, design and implementation and operation are sound, and the returns are rewarding and sustainable. Results of the sensitivity analysis are presented in Table A13.3.

Table A13.2: Summary of Economic Revaluation
(\$ million)

	Investment				Returns as Revenue						
	Fiscal Year	Capital Cost	O&M Cost @ 7.5% of Capital Cost	Total Cost	Saving from Travel Time	Saving from VOCs	Revenue from Trade License	Revenue from Rental Charges	Revenue from Bus and Truck Terminals, Parks	Total Returns	Net Benefit
1	2009–10	16.05	0	16.05	0	0	0.00	0.00	0.00	0.00	-16.05
2	2010–11	24.07	1.204	25.28	0.95	2.091	0.21	0.03	0.003	3.28	-22.00
3	2011–12	32.1	3.009	35.11	2.38	5.226	0.52	0.07	0.006	8.19	-26.91
4	2012–13	32.1	5.542	37.64	4.28	9.407	0.93	0.18	0.012	14.80	-22.84
5	2013–14	32.1	7.823	39.92	6.18	13.589	1.34	0.23	0.017	21.36	-18.56
6	2014–15	16.05	10.231	26.28	8.08	17.77	1.75	0.26	0.022	27.88	1.61
7	2015–16	8.024	11.434	19.46	9.04	20.905	1.96	0.27	0.240	32.41	12.95
8	2016–17		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
9	2017–18		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
10	2018–19		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
11	2019–20		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
12	2020–21		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
13	2021–22		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
14	2022–23		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
15	2023–24		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
16	2024–25		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
17	2025–26		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
18	2026–27		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
19	2027–28		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
20	2028–29		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
21	2029–30		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
22	2030–31		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
23	2031–32		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
24	2032–33		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
25	2033–34		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
26	2034–35		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
27	2035–36		12.036	12.04	19.02	41.811	4.12	0.54	0.051	65.54	53.51
EIRR											22.7%
NPV											124.76

Table A13.3: Sensitivity Analysis

Scenario	EIRR (%)
1 EIRR at Base Case	22.7
2 O&M Cost Increase by 10%	22.2
3 Benefits Decrease by 10%	20.2
4 O&M Costs Increase by 10% and Benefits Decrease by 10%	19.8

EIRR = economic internal rate of return, O&M = operation and maintenance.

Source: PCR Survey, Executing Agency PCR, and PCR Mission Analysis.

G. Nonquantified Benefits

20. The project is a sector lending with a focus on poverty reduction and improvement of the quality of urban life through urban governance and infrastructure improvement and capacity development of the participating municipalities. The key to the success of the project is the satisfactory GICD of the pourashavas, which expanded the revenue base by updating holding and other taxes and achieving a high percentage (above 80%) of tax collection successively over the 6.5 years of project implementation and thereafter on a sustainable basis. The urban governance and capacity development in the pourashavas are the major project benefits that are not quantifiable. In addition, the benefits of small bridges, culverts, drainage, solid waste management, slum development, sanitation, footpaths, and community toilets are difficult to quantify financially as well as economically. The value added in many cases to similar development initiatives made by other agencies is also difficult to segregate.

H. Qualitative Assessment

21. The project has achieved a high rate of success in terms of urban governance in administering municipal development, urban planning, revenue revision and collection, major improvements of urban infrastructure facilities and municipal services, and updated payment of current and outstanding utility bills. The most beneficial project outputs are governance improvement, capacity building, and improvement of urban municipal facilities and services. Achievements in the social dimensions of urban poverty reduction, public participation in planning and design, employment generation, women's participation and empowerment, and slum improvements had a tremendous impact on sustainability.

I. Conclusions

22. The project is an effective investment with considerable quantifiable benefits and revenues exceeding the opportunity cost of capital. Returns on investment are robust and sustainable even under the pressures of cost increases and benefits reduction, due to upward and downside risks. As long as O&M remains sufficient, the value of assets will be maintained and benefits will be preserved in the future. Qualitatively, the project will continue to generate substantial social and environmental benefits to the community and have a long-term positive impact on poverty reduction and gender equity.

FINANCIAL SUSTAINABILITY

1. The sustainability of the project primarily depends on the financial self-sufficiency of the pourashavas in maintaining its organization, maintaining the urban infrastructure facilities and services established, and ensuring necessary development works in a planned manner in accordance with the needs of the growing urban population. Sustainability also depends on the proper functioning of the planning and development and management functions of the pourashavas with the quality of governance attained through the project. Good governance, supported by financial self-sufficiency, plays a vital role in ensuring the sustainability of the development interventions carried out under the project.

A. Financial Sustainability

2. Before the project, all 47 pourashavas were financially weak to various degrees and lacked the necessary funding resources to meet the unmet demands of the growing urban population for infrastructure facilities and services. The pourashavas were also weak in organization and management, including planning, and in their level of good governance. As a result, despite enough potential, income remained much below demand; consequently, most of the pourashavas were indebted to service-providing authorities such as the Department of Public Health Engineering (for water), the Bangladesh Power Development Board, the Rural Electrification Board, electricity distribution companies for electricity, banks, staff of the pourashavas, and other sundry creditors. In addition, 31 pourashavas had availed themselves of loan facilities, mainly from the Bangladesh Municipal Development Fund, which had been overdue for years.

3. The project built in its objectives and design the establishment of an effective system of regular reassessment every five years and continuous assessment, which are imperatives spelled out in the Pourashava Act 2009 and related rules and regulations. The project was so successful right from the beginning with regard to increasing the tax base of the pourashavas that eight pourashavas did a reassessment in 2009–2010, nine pourashavas reassessed in 2010–2011, 14 pourashavas reassessed in 2011–2012, 10 pourashavas reassessed in 2012–2013, and six pourashavas reassessed in 2014–2015. The reassessment multiplied the tax base more than fivefold in only 5 years.

4. As a result, the potential tax base (holding and non-holding tax combined) of all 47 pourashavas increased rapidly and grew from Tk29.12 million per pourashava in 2009–2010 (collection efficiency of only 45.46%) to Tk49.47 million by 2014–2015. The project helped in increasing the collection efficiency from 45.46% in 2009–2010 to 82.74% in 2014–2015 without enhancing the demand too much and creating hardship for citizens – demand for holding tax was Tk654.24 million in 2009–2010 and Tk690.14 million in 2014–2015, whereas collection of non-holding tax was Tk714.56 million in 2009–2010 and Tk1, 634.90 million in 2014–2015. It can be seen in Table A14.1 that success came through increasing collection efficiency. It is also noted that the demand and collection of both holding tax and non-holding tax continued to increase, even at the time of project closing, in a sustainable manner.

B. Loan Payment

5. As stated before, 31 pourashavas had outstanding loans mainly from the Bangladesh Municipal Development Fund, as of 2009–2010. However, because of the rapid increase of income of all 47 pourashavas, 31 became regular in payment by 2014–2015. An analysis of loan

repayments indicated that 31 pourashavas could meet the payment schedule of 468 regular installments. Thus, all 47 pourashavas came out of the debt net with an increase in its own income on a sustainable basis owing to the project interventions and supports. In addition, all 47 pourashavas could implement the new government pay scales, enhancing the pay and allowances several-fold, and all the pourashavas cleared the incremental demands as well as the outstanding payments of all staff.

Table A14.1: Status of Increase of Holding and Non-Holding Tax Base and Collection Efficiency
(Tk million)

Fiscal Year	Holding Tax		Non-Holding Tax	
	Demand	Collection	Collection Efficiency (%)	Collection
2010	654.24	297.42	45.46	714.56
2011	728.51	398.57	54.71	963.32
2012	736.83	620.56	84.22	1,243.75
2013	712.84	594.37	83.38	1,404.94
2014	724.19	609.62	84.18	1,623.20
2015	690.14	653.76	82.74	1,634.90

Source: PCR, Local Government Engineering Department, 2015.

C. Electricity and Telephone Bills

6. By the end of phase II, 32 out of 35 pourashavas made payments of electricity bills regularly. Similarly, by 2013–2014, during phase III, all 47 pourashavas settled their electricity bills and met all criteria, and their collection efficiency reached as high as 92.26%. All 47 pourashavas fully and regularly paid their telephone bills during the last four years of the project (2011–2012 to 2014–2015) only by increasing tax revenue income in a sustainable manner.

D. Tariff from Piped Water Supply

7. In all, 35 pourashavas had their own piped water supply facilities. The average collection efficiency of these pourashavas was 71.03% at the end of 2013–2014 (6 had higher collection efficiencies of over 80%). Total demand in the 35 pourashavas was Tk344.55 million and collection was Tk271.57 million with a collection efficiency of 79.17% by the end of the project.

E. Rental Charges from Shops

8. In 40 pourashavas, shop-house facilities were rented out. The rent demand was Tk127.99 million and collection was Tk106.39 million, with an average collection efficiency of 83.13%.

F. Lease Money from Bus and Truck Terminals

9. Only one truck terminal and three bus terminals were established under the project. The terminals are leased out, and the net income is quite low after regular maintenance.

G. Budgetary Allocation for Operation and Maintenance

10. The PCR mission conducted a sample survey in 12 pourashavas (Benapole, Bhola, Brahminbaria, Chuadanga, Chandpur, Ghorasal, Jhenaidah, Jhalakati, Madaripur, Noakhali, Sreemongol, and Sunamgonj) to collect current and baseline primary data. Among other

information, the survey collected information on total annual budget and actual expenditure, and total annual allocation and actual expenditure on O&M. The purpose of the analysis was to assess the trend of allocation for O&M compared with the total budget to see whether the allocations are adequate for the need. The analysis in Table A14.2 shows that total annual allocation for O&M was 5.02% of the total annual budget, and that the actual expenditure on O&M was 4.59% of the total actual expenditure of the pourashavas in 2009–2010. It also shows that the total annual allocation for O&M was 9.07% of the total annual budget, and that the actual expenditure on O&M was 3.51% of the total actual expenditure of the pourashavas in 2015–2016. During the project, the annual total budget and the actual expenditure increased by 194.51% and 142.79% respectively between 2009–2010 and 2015–2016; and the annual allocation and expenditure on O&M increased by 431.43% and 50.95%, respectively. It may be summarized that, allocations of O&M funds increased rapidly with the increase in budget of the pourashavas, manifesting sustainable O&M of the urban infrastructure facilities and services established.

Table A14.2: Budget Allocation and Actual Expenditures on O&M in Sample of 12 Pourashavas Surveyed

Fiscal Year	Total Overall Budget in 12 Pourashavas			Total Budget for O&M in 12 Pourashavas		
	Budget (Tk million)	Expenditure (Tk million)	%	Allocation (Tk million)	Expenditure (Tk million)	%
2010	153.79	68.89	44.79	7.73	3.16	40.88
2011	166.32	77.96	46.87	11.54	4.69	40.64
2012	299.19	135.29	45.22	28.62	4.78	16.70
2013	337.99	172.40	51.00	20.53	4.92	23.96
2014	364.34	144.51	40.00	27.61	5.01	18.14
2015	446.19	148.37	33.25	50.52	4.94	9.78
2016	452.93	167.26	36.93	41.08	5.88	14.31
Average/FY	317.25	130.67	41.19	26.80	4.77	3.65

Source: PCR Mission estimates, 2017

H. Overall Financial Assessment

11. Almost all subprojects under the project, such as construction and improvement of roads, footpaths, road dividers, bridges, culverts, drainage, sanitation, solid waste management, and parks; governance improvement; capacity development; human resources management; and project management supports, are not revenue generating. Revenue-generating facilities such as water supply, electricity, bus and truck terminals are few, and the revenue generated is negligible. However, the financial capability of the pourashavas was reviewed to see whether they could generate revenue from taxes and other sources to support the O&M of the urban facilities and services established under the project on a sustainable basis.

12. The target pourashavas, during phase I, successfully expanded the holding and non-holding tax revenue base from very low, typically 30–40%, to 200% and improved collection efficiency from as low as 40–50% to above 80% through the reforms of tax revenue management. The pourashavas have maintained a 10% growth in the holding tax and overall revenue generation in all successive years during and after the project. They implemented a new pay scale, paid long outstanding staff salaries, cleared all debts of sundry debtors from their own revenue income, and are able to generate sufficient funds for O&M of urban infrastructure.

13. In summary, the project, using the cover of Pourashava Act 2009 and major improvements in governance and capacity development of the pourashavas, enhanced the holding and non-holding tax revenues from only Tk311.98 million to Tk2,288.66 million (a 633.59% increase in 6

years and a 105% average increase per year) between 2009–2010 and 2014–2015. The significant increase of the revenue resources helped the pourashavas improve the urban infrastructure facilities and services, and meet the long unmet demands of citizens and also sustainably maintain facilities and services that satisfy city dwellers. Regular interim assessment every five years and continuous reassessment of holding and non-holding taxes in the pourashavas have been adopted, in accordance with the act, and practiced on a sustainable basis, which along with capacity building and improved governance in the pourashavas together assure the sustainability of the project.

ENVIRONMENTAL IMPACT ANALYSIS

1. The project is classified as category B for environment because environmental impacts from the proposed urban infrastructure and services were expected to be minor to moderate where mitigation measures were available. An environmental assessment and review procedure was developed in accordance with ADB's safeguard policies and Bangladesh's Environment Conservation Act 1995 and Bangladesh's Environment Conservation Rules 1997 to ensure the environmental sustainability of subproject interventions. The potential risks of the project were identified through an urban sector initial environmental examination (IEE) and eight project-specific IEEs on bus terminals, roads, water supply and sanitation, drainage, and solid waste management in three geographic regions that guided the preparation of the environmental assessment and review procedure.

2. At the implementation stage, all subprojects designed and implemented in the 47 pourashavas under the project had gone through an environmental review process and developed respective environmental management plans. In phase II, 381 IEEs were prepared for subprojects on road improvement, water supply and sanitation, solid waste management, drainage network, and municipal facilities; and in phase III, 117 IEEs for road improvement, drainage and municipal facilities were prepared. Following the Environment Conservation Act 1995 and Environment Conservation Rules 1997, a detailed environmental impact assessment (EIA) was carried out for six subprojects for water supply and waste dump-site development to identify adverse impacts on the environment. The status of IEE and EIA preparation is summarized in Table A15.1.

Table A15.1: Summary Status of IEE and EIAs

Sector	No. of Subprojects Approved		IEE Reports Submitted		EIA Report	Remarks
	Phase II	Phase III	Phase II	Phase III		
	Urban Transport	234	103	234	103	
Water Supply	10	...	10	...	4	No outstanding environmental impacts
Solid Waste Management	21	...	21	...	0	
Drainage	55	5	55	5	0	
Sanitation	21	...	21	...	0	
Municipal Facilities	40	9	40	9	2	
Total	381	117	381	117	6	

Source: Environment Monitoring Report of UGIIP II, 2015

3. The IEEs and EIAs conducted on 498 subprojects revealed no significant, irreversible adverse impacts on the environment, and environmental management plans were prepared and implemented to address temporary and minor impacts. Following the recommendations of the IEE/EIA, the alignment of roads and drains and the location of solid waste disposal sites, in a few cases, were changed at the planning stage to avoid and minimize adverse impacts. Incinerators were a proposed option for solid waste reduction at the planning stage. This was dropped as a result of risk assessment for the environment and community.

4. The impacts of subprojects were limited to the removal of trees and boundary walls and the shifting of business activities during the construction period. Therefore, planting trees along the roads and around the markets was the common mitigation measure and implemented to bring about positive impacts on the environment. However, there is no record of how many trees were planted and how many of them survived. One of the good practices under the project was the

formation of 935 community-based organizations (CBOs) in 31 secondary towns to resolve some local problems, including kitchen waste collection and disposal.

5. The environmental safeguards compliance monitoring revealed that overall compliance with the environmental management plans was satisfactory. Although the overall arrangement for the implementation of personnel protection equipment for the workers at site and the use of sprinklers by the contractor was not up to the mark, initially in some contract packages, the contractors gradually improved their capacity and complied with contractual requirements at the end of the project.

6. The environmental screening and monitoring was done by a team of consultants with the direct engagement of municipal engineers. Sixteen social and environmental safeguard experts (2 international, 2 national and 12 regional) were recruited to ensure environmental and social safeguarding of subproject interventions. Several training workshops on the safeguard measures were organized for capacity enhancement of the PIU, contractor staff, and municipal engineers of 47 pourashavas.

7. The lessons on environmental risk management learned in this project can notably be applied in mainstreaming environmental safeguards in any development projects. As demonstrated in this project, the executing agency can establish a permanent safeguard unit with well-trained qualified staff and consultants for timely detection and mitigation of risks. However, environmental benefits can be maximized when people in the community are formally engaged for the monitoring of local infrastructure. The formation of community-based organizations for day-to-day kitchen waste collection and disposal can be replicated in other pourashava infrastructure development projects as a good practice for micro-level solid waste management.