



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

Project Name	Third Urban Governance and Infrastructure Improvement (Sector) Project								
Project Number	39295-013								
Country	Bangladesh								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"><tr><td colspan="2">Loan 8285-BAN: Third Urban Governance and Infrastructure Improvement (Sector) Project</td></tr><tr><td>OPEC Fund for International Development</td><td>US\$ 40.00 million</td></tr><tr><td colspan="2">Loan 3142-BAN: Third Urban Governance and Infrastructure Improvement (Sector) Project</td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 125.00 million</td></tr></table>	Loan 8285-BAN: Third Urban Governance and Infrastructure Improvement (Sector) Project		OPEC Fund for International Development	US\$ 40.00 million	Loan 3142-BAN: Third Urban Governance and Infrastructure Improvement (Sector) Project		concessional ordinary capital resources lending / Asian Development Fund	US\$ 125.00 million
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Strategic Agendas	Environmentally sustainable growth Inclusive economic growth								
Drivers of Change	Governance and capacity development Partnerships								
Sector / Subsector	Transport - Urban roads and traffic management Water and other urban infrastructure and services - Other urban services - Urban flood protection - Urban policy, institutional and capacity development - Urban sanitation - Urban slum development - Urban solid waste management - Urban water supply								
Gender Equity and Mainstreaming	Gender equity								
Description	The project will strengthen urban governance and improve urban infrastructure and service delivery in 30 pourashavas (municipalities) in Bangladesh. Building upon the successful implementation of earlier phases, the project will provide investment funds to pourashavas based on their governance performance. The project will develop towns with high growth potential in an integrated and holistic way both in terms of governance and infrastructure with an aim at making them model towns of the country. In addition to the focused interventions to these towns, the project will roll out application of governance performance criteria linked with fund allocation to all class-A pourashavas in the country.								

Project Rationale and Linkage to Country/Regional Strategy	<p>Urbanization. Rapid urbanization is widening the deficit in infrastructure and services. Although the urban poverty was reduced to 21.3% in 2010, many of the urban poor live in substandard housing conditions and poor infrastructure often in disaster-prone areas.</p> <p>Urban governance. Pourashavas were characterized by inadequate governance and lack of community participation in the planning, implementation, and management of projects and programs. There were limited incentives to improve governance in such areas as accountability and transparency, promotion of gender equity, poverty reduction, and financial management and sustainability. However, with the introduction of a performance-based fund allocation strategy through the urban governance improvement action program (UGIAP) in the Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP) funded by ADB, pourashavas supported under the UGIIP significantly improved their governance.</p> <p>Urban infrastructure. Pourashavas are struggling to provide their citizens with key services including drinking water supply and sanitation, roads, solid waste management, drainage systems, and other municipal services such as kitchen markets, street lights, and bus terminals. Although improvements are being made through earlier projects, including the UGIIP, most pourashavas still need significant investment support to improve their service delivery.</p> <p>Model towns development. The government thus prioritizes (i) improving city governance, (ii) promoting balanced development of urban centers, and (iii) urban resource mobilization in its Sixth Five Year Plan (2011-2015). In line with this policy direction, the project will support 30 pourashavas selected on the basis of (i) population, (ii) population growth between 2001 and 2011, (iii) municipal own-source revenue target, and (iv) population density, with a priority on district headquarter towns (DHTs).</p> <p>The project is fully consistent with ADB's urban operational plan and Bangladesh country partnership strategy (CPS). The project will address inclusiveness, environmental sustainability, and competitiveness, the three pillars of the urban operational plan. Urban sector is one of the six priority sectors in the CPS, and the project will also address key thematic drivers of the CPS including good governance and capacity development, and gender equity.</p>
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Impact	Improved living environment in project towns.
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Project Outcome

Description of Outcome	Improved municipal service delivery and urban governance in project towns
Progress Toward Outcome	Procurement of works and goods is on-going. By June 2016 all 30 Window A Pourashavas have achieved the UGIAP intermediate criteria and are eligible for additional priority investment subprojects under Phase 2 of the project. Based on a governance performance assessment, 20 Window B pourashavas have been selected for infrastructure improvement funds and bidding for work packages is on-going.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Municipal infrastructure improved and made gender and climate responsive 2. Improved capacity of pourashavas in urban service delivery, planning, and financial management 3. Project management and administration system in place
Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Management, Design and Supervision (MDS) and Governance Improvement and Capacity Development (GICD) consultants are on board. Various individual consultants for Project Benefit Monitoring and Evaluation, Project Performance Monitoring and Evaluation, and Project Gender Development and Poverty Alleviation are likewise recruited and on board. ADB has approved the master bid documents for NCB-Small Works and ICB-Goods. All 30 window A pourashavas are using eProcurement since mid-2016 and e-GP documents for both works and goods have been reviewed and cleared by ADB. Phase 1 procurement packages have been awarded. Phase 2 procurement packages are partially awarded and for remaining packages procurement is ongoing. By December 2016 (i) 95 km of urban roads improvement/construction has been completed and 120 km are expected to be completed by June 2017; (ii) 45 km of drains have been completed and 50 km are expected to be completed by June 2017. For water supply, sanitation, solid waste management, and slum improvement subprojects procurement has been initiated. All 30 window A pourashavas have operational TLCC and WLCC and WCA standing committees. PDP, GAP and PRAP are approved in all Window A towns. QPRs are submitted on time.</p>

Geographical Location	
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Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The project is classified as category B for environmental safeguards. Five draft initial environmental examinations were prepared for representative infrastructure investments including water supply, solid waste management, markets, roads, and drainage in accordance with ADB's Safeguard Policy Statement (SPS, 2009) and government laws. Subprojects are located outside sensitive and protected areas, and any construction impacts will be mitigated through implementation of environmental management plans included in contract documents. Significant environmental impacts are not foreseen in future subprojects, which will be guided by environmental subproject selection criteria outlined in the Environmental Assessment and Review Framework, and monitored as part of the semiannual safeguards monitoring report. Environmental safeguard implementation capacity of the EA is sufficient, and supported by consultants for carrying out environmental-related tasks. Environmental Assessment and Review Framework was prepared to provide guidance for other subprojects. IEEs for Phase 1 subprojects are disclosed and for Phase 2 subprojects they are either disclosed or under preparation.
Involuntary Resettlement	The project is categorized as B for involuntary resettlement. No permanent land acquisition or physical displacement is identified from three sample towns. The involuntary resettlement impacts identified for sample towns are mostly from the road and drainage subprojects. Three draft resettlement plans were prepared in consultation with the affected people to mitigate impacts. The draft resettlement plans will be updated and finalized during detailed engineering design of subprojects. Resettlement framework was prepared to provide guidance for other subprojects or in the event of unidentified involuntary resettlement impacts during project implementation period. Resettlement plans/Due Diligence reports for Phase 1 subprojects are disclosed and for Phase 2 subprojects they are either disclosed or under preparation.
Indigenous Peoples	The project is categorized as C for Indigenous People impacts in the three sample towns. Indigenous People Planning Framework (IPPF) was prepared to provide guidance and appropriate mitigation measures to the ethnic minority (Adivasi) that may be located in other towns if their livelihood and dignity are affected by the project activities. A stand-alone Indigenous People Plan document will be prepared following the IPPF when the impacts are significant; or else they can be incorporated into resettlement plans as specific actions for the affected community/peoples.

Stakeholder Communication, Participation, and Consultation

During Project Design	The project is categorized as C for Indigenous People impacts in the three sample towns. Indigenous People Planning Framework (IPPF) was prepared to provide guidance and appropriate mitigation measures to the ethnic minority (Adivasi) that may be located in other towns if their livelihood and dignity are affected by the project activities. A stand-alone Indigenous People Plan document will be prepared following the IPPF when the impacts are significant; or else they can be incorporated into resettlement plans as specific actions for the affected community/peoples.
During Project Implementation	Pourashavas are the implementing units of the project and TLCC is a consultative forum of Pourashava decision-making. Adequate participation of civil society in project implementation will be ensured through TLCCs, WLCCs and inclusion in other committees. Focus Group Discussions (FGDs) and courtyard meetings will be conducted as part of awareness.

Business Opportunities

Consulting Services	Consulting services will be engaged using ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).
Procurement	All procurement of goods and civil works will follow ADB's Procurement Guidelines (2013, as amended from time to time). National competitive bidding will follow the government's Public Procurement Act, 2006 and Public Procurement Rules, 2008, with modifications and/or clarifications agreed between the government and ADB, as set out in the procurement plan. Since ADB administers cofinancing resources for operations financed by Asian Development Fund resources, universal procurement will apply.

Responsible Staff

Responsible ADB Officer	Vogl, Alexandra
Responsible ADB Department	South Asia Department
Responsible ADB Division	Urban Development and Water Division, SARD
Executing Agencies	<i>Department of Public Health Engineering DPHE Bhaban, 14 Shaheed Captain Mansur Ali Sarani, Kakrail Dhaka, Bangladesh Local Government Engineering Department SSWRDSP@LGED.ORG LGED Bhaban (Level 6), Agargaon Sher-e-Bangla Nagar, Dhaka 1207, Bangladesh</i>

Timetable

Concept Clearance	15 Mar 2013
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Fact Finding	01 Apr 2014 to 10 Apr 2014
MRM	-
Approval	17 Jul 2014
Last Review Mission	-
Last PDS Update	27 Mar 2017

Loan 3142-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
17 Jul 2014	27 Aug 2014	04 Nov 2014	31 Dec 2020	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	196.00		Cumulative Contract Awards			
ADB	125.00		17 Jul 2014	94.37	0.00	84%
Counterpart	71.00		Cumulative Disbursements			
Cofinancing	0.00		17 Jul 2014	50.42	0.00	45%

Loan 8285-BAN

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
10 Jun 2014	05 Feb 2015	09 Apr 2015	31 Dec 2020	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	40.00		Cumulative Contract Awards			
ADB	0.00		10 Jun 2014	0.00	15.95	40%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	40.00		10 Jun 2014	0.00	11.23	28%

Project Page	https://www.adb.org/projects/39295-013/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=39295-013
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