

**Local Government Engineering Department
Local Government Division
Local Government, Rural Development & Co-operatives**

**Second Urban Governance and Infrastructure
Improvement (Sector) Project
(UGIIP-II)**

Project Brief

Project Management Office

Local Government Engineering Department

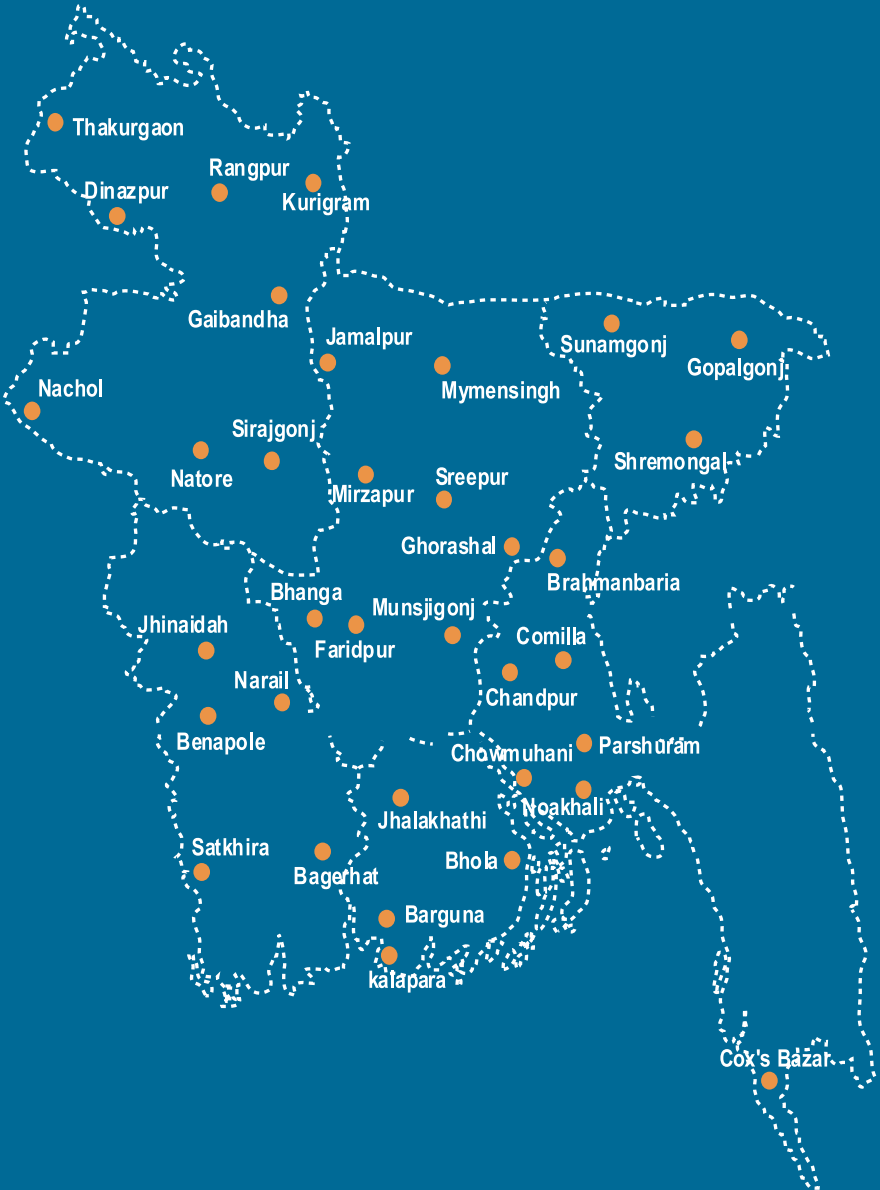
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Project Pourashavas (Phase-1)



ABBREVIATIONS

ADB	Asian Development Bank
CBO	Community Based Organization
CEO	Chief Executive Officer
ESSIS	Environmental, Sanitation and Slum Improvement Section
FWC	Female Ward Councilor
GAP	Gender Action Plan
GICD	Governance Improvement and Capacity Development
GPD	Governance Program Development
GTZ	Gesellschaft für Technische Zusammenarbeit, Germany
IIS	Infrastructure Improvement Section
ISC	Inter Ministerial Steering Committee
KfW	kreditanstalt für wiederaufbau, Germany
LGD	Local Government Division
MDS	Management Design and Supervision
MPRC	Municipal Performance Review Committee
NGO	Non Government Organization
PDP	Pourashava Development Plan
PIU	Project Implementation Unit
PMO	Project Management Office
PRAP	Poverty Reduction Action Plan
RUMSU	Regional Urban Management Support Unit
SIC	Slum Improvement Committee
TLCC	Town Level Coordination Committee
TOR	Terms of Reference
UGIAP	Urban Governance Implementation Action Plan
UGIS	Urban Governance Improvement Section
UMSU	Urban Management Support Unit
WLCC	Ward Level Coordination Committee

Background

Bangladesh has witnessed an increased urbanization over the last three decades. It has been estimated that around 38 million people are living in urban areas (27% of the total population). Even though the level of urbanization is still relatively low, the urban population growth rate is high at 2.5% per annum, compared to an annual total population growth rate of 1.4%. With the existing growth rates, the country's urban population by 2015 will reach 51 million, or 32 percent of total population. The contribution of the urban sector to national GDP grew from 26% in 1972 to more than 50% at present. Rapid and uncontrolled urbanization has been creating large growing demand for urban infrastructure and services.

Development of urban infrastructure has not been matching the rapid pace of growing demand, resulting in acute shortages in every sector. Piped water supply is available in one third of Pourashava's (secondary towns) but typically for about two to four hours per day only. Quality of water is poor in many Pourashava's with high iron content or arsenic contamination. Coverage of sanitation increased from 53% in 2003 to 74% in 2005 in urban area. However, about 30% of urban households have no sanitary latrines. Within slum settlements, about 40% of households have to resort to open defecation or use unsanitary hanging latrines. No urban areas have any form of sewerage with the exception of a very limited system in Dhaka. Solid waste collection levels are only around 20%. Households dispose their solid waste into streets, public spaces and drains. Drainage is underdeveloped and poorly maintained. During the monsoon, roads and pathways often become flooded. Roads and bridges do not have sufficient capacity to cope with growing traffic volume, causing traffic jam in city centers and limiting access to economic opportunity and social services.

Despite significant progress, there is still large urban population living under the poverty line. Bangladesh achieved a significant reduction in national poverty ratio from 59% in 1991 to 42% in 2005. The urban population living below the poverty line also declined from 45% to 37%

over the 1990s. The poverty ratio in urban area is further reduced to 30%, though the absolute size of poor population still stands out at 11 million. Economic opportunity in urban areas attract large number of migrants from rural areas. New migrants, as well as second generation of migrants, tend to live in slum areas without basic housing and services. Inequality among households is acute in urban areas, contrasting the rich in central business districts and the poor in urban slums.

Governance of Pourashava's is relatively weak, lacking effective citizen participation, accountability and financial management. Pourashava's are governed by elected Mayor and Councilors. The Mayor tends to dominate decision making on many aspects of Pourashava management, with little responsiveness and accountability to the public. Citizens, in particular poor and women, do not have effective mechanisms to raise their voices and influence decision makings. Pourashava's do not have capacity to generate sufficient revenues, and they are highly dependent on budgetary transfers from the Government. Funds from the Government accounts for more than 50% of most Pourashava's. The collection efficiency of holding tax, which is the most important revenue source, is very low. Between 2000 and 2002, only 29 percent of smaller Pourashava's collected more than 50 percent of their estimated holding tax. Human resource is also limited, with many untrained staffs and vacancies in approved posts in Pourashava administration. Pourashava's do not have autonomy in recruitment and transfer of senior staffs.

Most Pourashava's do not have a plan for land use and development of various infrastructures. Combined with weak governance, investments tend to be made in an unplanned and discretionary manner. Class A Pourashava's have an urban planner in the approved organizational chart, though the position is often left vacant for long. Lack of proper urban planning leads to inefficient allocation of available funds, adding further stress on limited resources. Unplanned and rapid urbanization creates large unmet demand for urban infrastructure and services.

Pourashava's have not managed to meet this challenge because of weak governance, limited financial and human resources, and lack of proper planning, which are interlinked with each other. Under weak governance structure, elected leaders and Pourashava officials do not have incentives to respond to citizen's needs and demands. Pourashava's do not generate sufficient financial resources for investment and staffing and they do not have strong incentives to improve these. Lacking of urban planner, no proper urban planning is carried out, which cause inefficient use of limited resources available.

The potential poverty reduction of well-planned urbanization can be significant. The National Strategy for Accelerated Poverty Reduction emphasizes that even though urbanization has so far been a factor contributing to poverty reduction, urban poverty and growing disparities within urban areas is as an important policy agenda. According to the strategy, effective poverty reduction is closely linked to an effective urbanization strategy. The entry point to address urban poverty is improvement of basic infrastructure and services. Furthermore, good governance is recognized as a critical factor to more effective growth and poverty reduction. On the other hand, unplanned and uncontrolled urbanization creates tremendous pressure on urban infrastructure and services, resulting in further deterioration of urban environment. The current concentration of population and economic activities in a few metropolitan areas will further aggravate without proper management and development of Pourashava's, which function as satellite cities of the mega cities.

The strategic thrust of ADB's assistance for the urban sector in Bangladesh has been poverty reduction through shared growth, social development, and good governance. ADB has been a leading agency in urban development and supporting a series of projects. The most important lessons learned, in particular from the ongoing Urban Governance and Infrastructure Improvement (Sector) Project (UGIIP) (2003-2010), is that improvement of urban infrastructure of service delivery can be achieved more effectively by linking it with governance reform and creating proper incentive mechanism. Specifically, (i) performance-based allocation of investment funds is an effective mechanism to create incentives for Pourashava's to improve their

governance and management; (ii) citizen's participation in urban management improves responsiveness and accountability of elected leaders of Pourashava's, (iii) proper urban planning is essential for efficient use of resources, and (iv) Pourashava's financial sustainability can be substantially improved through effective tax enforcement.

These lessons learned have been incorporated into the design of the Project. In particular, the Project follows UGIIP and adopts performance-based allocation of investment funds with defined performance criteria on governance improvement. The performance criteria emphasize citizens' participation, accountability, urban planning, and financial management as key areas for governance improvement.

Support to the urban development in Bangladesh presents a significant opportunity at this time. In addition to the ongoing governance reform at local level supported by UGIIP, the Government recently initiated a set of reforms at national level. The Government approved a new Pourashava act, 2009 replaces the old Pourashava ordinance, 1977 and Pourashava ordinance 2008. New Pourashava act strengthens citizen participation and accountability.

Further, nation-wide institutional frameworks for urban development are emerging through consolidation of initiatives supported by various projects. Local Government Engineering Department (LGED), which traditionally supports infrastructure development in rural areas, is strengthening its Urban Management Wing with a newly-created Additional Chief Engineer to manage projects in urban areas. Under the Urban Management Wing, the Urban Management Support Unit (UMSU) was created by consolidating capacity development programs supported by various projects. UMSU is originally providing assistance in 41 Pourashava's within 4 LGED regions under ADB financing. UMSU is merging Municipal Support Unit financed by the World Bank, which provides similar capacity development for other 68 Pourashava's of 6 LGED regions. A Municipal Performance Review Committee (MPRC) was established to review and monitor performance of Pourashava's. UMSU supports the MPRC as secretariat. MPRC covers all Pourashava's supported by different projects. Pourashava Performance Review Committee, which was utilized under UGIIP, was merged with MPRC.

Implementation Period

Project Period is January, 2009 to December, 2014.

Phase	Implementation Period	Period	Remarks
1st	01.01.2009 to 30.06.2010	1 year 6 months	Preparatory period for Pourashava Development Plan (PDP) & implementation of 1 st phase activities
2nd	01.07.2010 to 30.06.2012	2 years	Investment for Infrastructure & UGIAP activities
3rd	01.07.2012 to 31.12.2014	2 years 6 months	Investment for Infrastructure & UGIAP activities

Source of Fund

Sl. No.	Source of Fund	Tk. (Cr)	Percentage	Remarks
1.	Bangladesh Government	217.54	18.94	
2.	Asian Development Bank	596.55	51.94	Loan
3.	KFW	247.35	21.53	Grant
4.	GTZ	32.23	2.81	Grant
5.	Pourashava	50.06	4.36	
6.	Beneficiaries	4.80	0.42	
Total		1148.54	100.00	

Project Area

35 Pourashava under this project (Phase-1).

Dhaka Division	Mymensingh, Faridpur, Jamalpur, Ghorashal Munshigonj, Sreepur, Bhanga, Mirzapur
Chittagong Division	Noakhali, Chandpur, Cox's Bazar, Brahmanbaria Comilla, Chowmuhani, Parshuram
Khulna Division	Satkhira, Jhainadah, Narail, Bagerhat, Benapole
Rajshahi Division	Thakurgaon, Nachole, Rangpur, Dinajpur Kurigram, Gaibandha, Sirajgonj, Natore
Barisal Division	Bhola, Barguna, Jhalakathi, Kalapara
Syllhet Division	Sunamgonj, Sreemangal, Golapgonj

Project Components

The Project consists of three components

- A. Urban infrastructure and service delivery;
- B. Urban governance improvement and capacity development;
- C. Project management and implementation support.

Component A

Urban Infrastructure and Service Delivery

The output of component A is developed infrastructure and improved service delivery, including urban transport, drainage, solid waste management, water supply, sanitation, municipal facilities, and basic services for the poor in slums. The subprojects in each Pourashava will be identified through participatory urban planning. The size of investment funds allocated in each Pourashava depends on its progress of governance improvements.

Municipal transport

Subprojects in municipal transport aim at reducing traffic congestion and improving access to economic opportunity and social services. Investments include

- repair, rehabilitation and expansion of pourashava roads, traffic junctions and foot paths;
- rehabilitation and expansion of bridges and culverts;
- development of river boat landing stations (jetty);
- procurement of equipment for routine maintenance;
- procurement of equipment for traffic management and road safety.

Drainage

Subprojects in drainage aim at mitigating water clogging and inundation to improve urban environment and public health. Investments include

- repair, rehabilitation and expansion of existing drainage systems;
- construction of new drains; and
- procurement of equipment for maintenance.

Solid waste management

Subprojects in solid waste management aim at introducing or improving system to collect, segregate and dispose solid wastes for clean urban environment and public health. Funds will be utilized for:

- procurement of collection and storage equipment;
- construction of storage, treatment, and sanitary disposal facilities; and
- support to community-based organizations for house-to-house collection.

The Project will examine the potential of sub-projects registering with the Clean Development Mechanism (CDM).

Water supply

Subprojects in water supply aim at expanding service area and improving service quality for better access to safe drinking water. Investments include

- rehabilitation of piped water supply systems;
- introduction of non-revenue water reduction;
- construction of tube wells;
- procurement of equipment for metering, operation, and maintenance;

- construction of iron and arsenic removal facilities.

Major works including source augmentation and expansion of trunk mains will be considered only in exceptional cases.

Sanitation

Subprojects in sanitation aim at improving access to safe sanitation for public health. Funds are utilized for:

- public and community sanitation facilities;
- procurement of equipment for maintenance and sludge removal at onsite facilities;
- construction of sludge disposal facilities; and
- awareness campaign for better hygiene.

Municipal facilities

Subprojects in municipal facilities aim at enhancing economic potential and improving urban amenities. Investments include development, rehabilitation and expansion of

- bus and truck terminals;
- parking areas;
- kitchen markets and slaughter houses;
- municipal parks;
- street lighting;
- urban landscaping;
- construction of community centers; and
- water bodies.

Basic services for the poor slums

Subprojects in basic services in urban slums aim at improving the living conditions for slum dwellers. The components includes improvements in roads, drains, foot paths, water supply, sanitation, solid waste

management and lighting in slum areas. Specific components will be identified through development of Poverty Reduction Action Plan (PRAP). If a Pourashava is implementing major project(s) in a slum, including under the Urban Partnerships for Poverty Reduction Project Supported by DFID and UNDP, in principle the Project will not cover sub-projects in the slum. Trained Slum Improvement Committees (SIC) will be responsible for operation and maintenance. SIC focus on activities in slum areas, while CBOs work outside slums and may include components for the poor outside of slums. In order to ensure availability of financial resources, at minimum 5% of total investment funds allocated to each Pourashava will be earmarked for basic services in urban slums.

Component B

Governance Improvements and Capacity Development

The output of component B is improved governance and developed capacity of Pourashava's. Each Pourashava takes a series of reform activities in six key areas identified in the Urban Governance Improvement Action Program (UGIAP):

- citizen awareness and participation;
- urban planning;
- women's participation;
- integration of the urban poor;
- financial accountability and sustainability; and
- administrative transparency.

UGIAP was applied in the ongoing Urban Governance and Infrastructure Improvement Project (UGIIP), and the Project adopts the refined version based on experience and lessons learned. The activities will be supported by training and facilitation, and intensively monitored to assess the performance. Performance based allocation of investment

funds will generate strong incentive for Pourashava's to achieve performance targets specified in UGIAP. Component B also supports national level reforms of urban governance.

Citizen awareness and participation

Each Pourashava will form a Town Level coordination committee (TLCC), and each ward will form a Ward Level coordination committee (WLCC) with broad representation of citizens. TLCC and WLCCs will function as forums to discuss various issues in the Pourashava and ensure participation of citizens in governance. To ensure effective participation, the selection of member will follow bottom-up approach to the extent possible. The selection procedures will be specified in guidelines for Pourashava Development Plan. The accountability of Pourashava will be enhanced through establishment of citizen charter, feedbacks from citizen Report Card and open discussions on budget proposal at TLCC and WLCC.

Urban Planning

Each Pourashava will formulate a Pourashava Development Plan (PDP) in a participatory manner, including vision, situation assessment, priority investments and activities for governance improvement. A land use plan will be prepared for long term planning. An inventory list of the existing infrastructure, and Operation and Maintenance plan will be developed to ensure efficient and effective utilization of physical assets. Classification of Pourashava roads will be introduced for efficient maintenance and operation planning.

Women's Participation

A Gender Committee headed by Female Ward Councilors will be established, and a Gender Action Plan (GAP) will be developed as a part of the PDP in each Pourashava. The GAP will be developed with

identified budget requirements, and implemented under supervision of Gender Committee as part of UGIAP performance criteria. TLCCs and WLCCs will have sufficient female representation, at least one third of the total member as required by Pourashava act 2009, to ensure participation in decision-making processes of Pourashava management. The selection procedures will be specified in guidelines for Pourashava Development Plan.

Integration of the urban poor

A Slum Improvement Committee (SIC) will be formed in each target slum, and a Poverty Reduction Action Plan (PRAP) will be developed as part of the PDP in each Pourashava. The SICs will be responsible for managing infrastructure identified in the PRAP. Outside of slums, Community Based Organizations will be formed to manage community infrastructure focusing on low income groups. TLCCs and WLCCs will have a sufficient and fair representation of low income group, at minimum seven for TLCC and two for WLCC, to ensure participation in decision-making processes of Pourashava management. Representative of the poor will include chairperson of Slum Improvement Committee, selected among themselves. The selection procedures will be specified in guidelines for Pourashava Development Plan.

Financial accountability and sustainability

Pourashava's will computerize their accounting and tax records to enhance efficiency and transparency of financial management. An interim assessment of holding tax will be carried out annually, and collection efficiency will be improved to generate own financial resources for sustained urban development. The improvement of tax collection is one of the areas where substantial improvements were achieved in UGIIP.

Administrative transparency

Pourashava and LGED officials, elected representatives and citizen groups will participate in various training programs for administrative transparency and citizen groups will participate in various training programs for administrative transparency and effective implementation of UGIAP. Urban Management Support Unit (UMSU) headed by SE (UM) will provide standard training modules to Pourashava. A management information system will be introduced and information disclosure will be strengthened for transparency in administration.

Support for national level reform

The project supports national level reform based on experiences in UGIIP with focus on UMSU, Municipal performance review committee (MPRC). UMSU is providing standard training modules to Pourashava's, which are covered mostly under ADB or WB projects. The project supports UMSU to expand types of trainings offered and to extend the coverage of Pourashava's beyond specific projects. MPRC is reviewing the performance of Pourashava's and the Government started taking the MPRC's review into consideration in allocating domestic budget among Pourashava's. However, the indicators reviewed are limited and the link between observed performance and budget allocation is rather weak with substantial discretionary factors. The project supports the MPRC to enhance its system to monitor and review the performance of Pourashava's, and strengthen the linkage between performance and budget allocation to create stronger incentives for governance reforms among Pourashava's. The project also supports the Local Government Division in finalizing the national policy framework including urban sector strategy and its implementing guidelines.

Component C

Project Management and Implementation Support

A Project Management Office (PMO) in LGED and a Project Implementation Unit (PIU) in each Pourashava will be established under Component C of the Project. The PMO will manage the overall project implementation, while PIUs will implement activities for improvement of governance and physical infrastructures with support of consultants and facilitators.

Implementation Arrangements

Arrangements at the Central Level

The executing agency of the Project will be Local Government Engineering Department (LGED), under supervision of Local Government Division (LGD) of the Ministry of Local Government, Rural Development and Cooperatives (MLGRDC). The existing Inter-ministerial Steering Committee (ISC) of UGIIIP will be expanded to include Department of Environmental and be responsible for reviewing the progress and guiding implementation of the project within three month of loan effectiveness. ISC will be chaired by the Secretary of LGD and include representatives from LGD, LGED, the Planning Commission (PC) Economic Relations Division (ERD) of Ministry of Finance (MoF), The Finance Division (FD) of the MoF, Implementation Monitoring and Evaluation Division (IMED) of the Planning Ministry, the National Institute for Local Government (NILG), the Department of Public Health Engineering (DPHE), the Ministry of Women and Children Affairs, Ministry of Public Works and three mayors nominated by LGD. The ISC will convene whenever necessary, but not less than at least once every three months.

A Project Management Office (PMO) will be established for the overall management of the project. The PMO will be headed by a Project

Director (PD) who will be a senior engineer specialized in urban development, preferably superintending engineer but at least in the rank of executive engineer, supported by officials including two Deputy Project Directors in charge of

- infrastructure and service delivery improvement and
- governance Improvement and Capacity Development

The PMO will be responsible for

- planning overall project implementation by consolidating plans at the Pourashava level;
- assisting Pourashava's in implementing the UGIAP and physical works
- procuring, managing and supervising consultants hired under the project
- monitoring and supervising project implementation
- ensuring compliance with assurance, including safeguards; and
- preparing and submitting reports, including progress reports and the completion report.

Existing central and regional Urban Management Support Unit (UMSU) will provide standard training modules to Pourashava in close coordination with PMO. Trainings include four standard modules currently provided;

- computerization of tax records,
- computerization of accounting,
- inventory and mapping of infrastructure and
- community mobilization

The modules will gradually expand. UMSU will also keep functioning as secretariat of MPRC in assessing performance of Pourashava based on UGIAP. Superintending Engineer Urban Management wing of LGED, will act as director of UMSU. The Additional Chief Engineer in-charge of urban management will coordinate the project activities under overall guidance of the Chief Engineer.

The transparent and fair assessment of performance is critical for a successful performance based fund allocation. The Municipal Performance Review Committee (MPRC) will be responsible for rating the participating Pourashava's. The MPRC will be chaired by the Secretary of LGD, and consist of Chief Engineer of LGED, Addl. Chief Engineer (UM), director general of LGD, representatives of the PC, ERD, FD and IMED and Pourashava's, an urban governance professional nominated by LGD, representative of DPHE (as an observer), and the director of the national UMSU (as the member secretary).

Arrangements at the Pourashava Level

A project implementation (PIU) will be established in each participating Pourashava's to implement the UGIAP and physical works. The PIU will be headed by the Pourashava Mayor assisted by the Chief Executing Officer and other officials. Each PIU includes three sections:

- the infrastructure improvement section (IIS) headed by the Executive Engineer / Assistant Engineer; *
- the urban governance improvement section (UGIS) headed by the Secretary; &
- the environmental, sanitation and slum improvement section (ESSIS) headed by the Health Officer.

The PIU will be responsible for

- implementing governance improvement activities specified in UGIAP, including preparation of PDP;
- implementing physical works, preparing bid documents, including procurement and supervision of contractors with support from the PMO and consultants, ensuring safeguard compliance and
- preparing annual work plan and progress reports to PMO.

Each PIU will be staffed with accounting officers, to manage financial transaction including recording, preparation of liquidation statements,

** For class B and C Pourashava.*

and replenishment requests to the PMO. In addition, a few engineering staffs will be placed by PMO to PIU subject to availability and capacity of Pourashava in the planning and implementation of the subprojects.

Special Features

Performance-based allocation

The project adopts a performance-based allocation of investment funds, as it is proven to be an effective incentive mechanism through implementation of UGIIP. The amount of investment funds to be allocated to each Pourashava depends on its performance in governance improvements specified in UGIAP. In Phase 1, Pourashava start governance improvement by formulating essential institutions such as TLCC, WLCC and CBOs and initiates preparation of the PDP. Only after successful performance in Phase 1, the Pourashava will proceed to Phase 2 and receives funds for investment. Pourashava's will enter Phase 3 with additional funding, if they meet the performance criteria required in Phase 2. The amount to be received varies depending on level of performance.

Participatory urban planning

The project introduces participatory urban planning to Pourashava through the development of PDPs. Broad citizen groups, including women and the poor, will be represented in TLCC and WLCC and a series of consultations will be carried out to formulate the PDP. The participatory formulation of PDP makes Pourashava's officials and elected representatives more accountable to communities and increase transparency on the use of resources and achievements in improving service delivery.

While the urban planner is the key officially to formulate the PDP, the post is often left vacant in Pourashava's. The UGIAP specifically requires Pourashava's to recruit an urban planner (Class A Pourashava's only), and the project will provide adequate capacity development for him or her. For class B and C Pourashava's, assistant

engineer functions as urban planner with support from consultants and facilitators. The project also supports internships for university students inter alia studying urban planning, in order to strengthen the overall sector capacity. LGED already has an internship program for university students of Urban & Regional Planning and Engineering Universities.

Pro-poor urban development

Each PDP will include a PRAP to identify and formulate the specific actions for poverty reduction in Pourashava. A Slum Improvement Committee will be established in each target slum to operationalize the PRAP. TLCCs and WLCCs will have sufficient representation of low income group to ensure their participation in decision-making processes of Pourashava management. To ensure adequate budget to implement the PRAP, minimum 5% of the funds will be earmarked to finance basic services for the poor in slums.

Private sector participation

The project promotes private sector participation in management of urban infrastructure. Operation and routine maintenance of bus terminals, truck terminals will be outsourced to private sector through competitive bidding. Private sector participation in solid waste management will be examined to formulate feasible mechanisms, and introduced to the extent possible.

Fund Allocation among Pourashava

Investment funds will be allocated among Pourashava's based on their performance in governance improvement as defined in the UGIAP. The maximum amount to be allocated to each Pourashava (the investment ceiling) is Tk.250 million for class A Pourashava's Tk.200 million for class B Pourashava's, and Tk.100 million for class C Pourashava's, excluding in-kind contributions by Pourashava's and beneficiaries.

Pourashava's that successfully achieve all of the UGIAP performance criteria of phase 1 will proceed to phase 2 and be entitled to utilize at

most 50% of the investment ceiling. While it is expected that the standard period of phase 1 performance criteria. The MPRC's assessment of Pourashava's performance against phase 1 criteria will be carried out semiannually. Pourashava's that fail to meet phase 1 performance criteria within 2 years of loan effectiveness will lose entitlement for fund allocation.

At the end of phase 2, which is expected to be in June 2012, Pourashava's performance will be rated by the MPRC. The rating will be 'fully satisfactory' if the Pourashava meets all phase 2 performance criteria to a fully satisfactory level, 'satisfactory' if the Pourashava meets all minimum requirements of phase 2 performance criteria, or 'unsatisfactory' if the Pourashava fails to meet all minimum requirements. The fully satisfactory Pourashava's will receive at most 50% of the investment ceiling, the satisfactory Pourashava's will receive at most 25%, and unsatisfactory Pourashava's will receive no additional funding.

All class A and B Pourashava's that are not included under the project will be informed and encouraged to carry out UGIAP activities. New Pourashava's that apply for funding will be ranked by the MPRC based on their level of achievement of UGIAP performance criteria. Approximately 15 Pourashava's with the highest ranking will be entitled to receive at most 50% of the investment ceiling. In the middle of phase 2, the overall fund utilization will be assessed, and the candidate Pourashava's will be identified. At the end of phase 2, the new Pourashava's will be determined by the inter-ministerial steering committee subject to fund availability.