



Consultancy Services for Feasibility Study for follow up future urban operation in Bangladesh [(following on Municipal Governance and Services Project (MGSP)]

Terms of Reference (TOR)

Background

Bangladesh has been experiencing rapid urbanization since its independence and at present the country is striving for urban development due to significant urban growth of population. Currently, about 35.05% of the population lives in urban areas (World Bank). This has led to serious and rapidly growing deficits in urban infrastructure and services in all corners of the country. Since then, the urban growth stabilized with rapid growth concentrated in limited areas of strong economic growth, especially in few major ULBs (Pourashavas /City Corporations). The slowdown in the urban population growth, coupled with improving though still weak, fiscal and institutional resources, appear to have slowed the deterioration in urban services and infrastructure, but the backlog remains significant in most cities. The economic growth of the country is significant than ever i.e. 7.8% but the urban service development index is remarkably inefficient in case of urban service delivery, institutional governance and capacity building. Further, the gap between service and infrastructure deficits are worsening in areas of high economic and urban growth as well as in areas especially vulnerable to natural hazards.

Bangladesh is considered to be a climate vulnerable country. A large number of people especially the poor are likely to be affected due to effects of climate change. There are also many other dimensions to the country's climate change risks. It is estimated that the country is likely to be negatively affected by sea level rise and saltwater intrusion, mean temperature increases, rainfall variability and increase in the frequency and intensity of extreme weather events. Several studies conclude that extreme weather conditions (floods and cyclones) are expected to increase in frequency and intensity in Bangladesh.

In this context the government intends to carry out studies and consultations to improve the efficiency, equity, and sustainability of ULBs urban infrastructure and institutional development, as well as contributing to the evolving policy framework of local governance, public finance, and urban development. This program could then become the basis of projects supported by the government and other agencies.

The main goal of the proposed studies and consultation would be to develop an improved and sustainable program of urban infrastructure and institutional development to remove critical impediments to the quality of life and the economy.

The main objectives of the consultancy services as follows;

- A. *Framework Development:* Establishing an improved framework for selecting, designing, and implementing priority interventions for municipal development;
- B. *Urban Development Assessment and Programming:* Preparing overall infrastructure and institutional development programs for different types of urban development situations from a sample of about 80-90 ULBs ((Pourashavas/City Corporations); and
- C. *Subproject Planning and Design:* Assistance for preparing detailed plans (feasibility studies and designs) for infrastructure and institutional development subprojects in about 80-90 ULBs ((Pourashavas/City Corporations) for initial implementation.

Objective and Outputs of the Assignment

The objective of the Consultancy Services is to establish an innovative framework – a set of principles, options, criteria, methodology, and procedures – to evaluate, plan, finance and implement municipal infrastructure and institutional development programs in Bangladesh so as to improve the institutional, financial and fiscal feasibility and sustainability of such programs.



The main outputs shall consist of:

- Feasibility study of each ULB (Pourashava/City Corporation)

The feasibility study will include the following:

- (i) Technical justification;
- (ii) Economic and financial viability;
- (iii) Governance: Accountability, Financial Management' Procurement and Institutional issues;
- (iv) Poverty and Social impact: Poverty reduction, Social Impact and Gender parity;
- (v) Safeguards: Environmental, Social, Involuntary settlement, Indigenous people etc.
- (vi) Assess the need of urban basic services and O & M for each ULB.

The feasibility study will specify clear norms and options for:

Programming, planning, and implementation: Robust yet efficient methodology, parameters, and procedures to evaluate, prioritize, and plan urban infrastructure and institutional development improvement projects, including those for the stakeholder consultation as well as for cost-benefit analysis.

Financing: Identifying, evaluating, and projecting the existing and potential financial resources - including the potential increase in existing own revenue sources, beneficiary charges, new revenue instruments, beneficiary and private investment financing; criteria and guidelines related to evaluating their feasibility and scope.

Demand for urban services as well as feasible options for their financing and provision are likely to depend greatly on the municipality/city's size, level of income, pace of growth, location, etc. The consultant shall propose a practical typology of Bangladeshi municipalities/cities which can serve as a simple, first-recourse screen for choosing appropriate methodology and parameters for development planning and financing.

The study report will cover:

Selection of about 80-90 ULBs ((Pourashavas/City Corporations) which represent the typology, discussed above, and for which the development programs will be prepared.

Urban Financing Framework: different combinations of government grant, loan, and extra-budgetary financing suitable for different types of investments and types of cities, modification or experimental exceptions to regulations governing local taxation and charges (especially related to property development), private participation, etc. to allow innovative financing of urban development and services;

Institutional Options: Evaluating and recommending appropriate levels and modes of technical and administrative review, support and supervision of urban development planning and implementation in different types of municipalities, to balance the need to develop local autonomy and capacity against the need to ensure efficiency; Evaluating and recommending institutional options to channel or manage central financial and technical resources for urban development

Use and development of the study: recommending ways to disseminate and use the reports, to monitor its use, effects, and defects, and to improve it; and institutional responsibilities.



Scope of Services

The consultant services will include but not limited to the following:

The Consultancy Services will follow the growth corridors and regional development intervention for urban sector development in Bangladesh.

Assess economic and other rationales for opting for various corridors especially the western and north-western region corridors in terms of their inter-regional trade and development prospects vis-à-vis the neighboring countries of the region.

The study will focus the regionalization and concentration to major corridors of the country.

Assess the capacity of Regional Municipal Support Unit (RMSU) and Municipal Support Unit (MSU) of LGED and recommendation for future operation.

Compile and analyze existing reports of urban development and services, relevant official documents, views and knowledge of relevant experts, essential statistical and field data, and internal models as elements of the Guidelines.

Develop optional typologies to summarily characterize the cities especially in terms of their past investment efforts, current needs and capacity for urban investment financing and implementation, with readily available information such as the population size, main economic activity, pace of growth, location relative to major economic centers, climate change risks, etc.

Describe a range of common improvement alternatives and scopes; and establish a general methodology, formats, and procedures for prefeasibility and feasibility studies including economic and social impact analysis, along with the list of standard technical references;

Establish an efficient methodology and procedures for municipal development projects along with key variables and parameters, for their quick but robust evaluation and prioritization, including:

- Identification of and consultation with stakeholders
- Identify and estimate of the benefits that are likely to accurate to different groups stakeholders, and the economy as a whole
- Assess the climate change risks and their impact on infrastructure
- Estimation of capital and operating costs
- Economic Analysis
- Cost-benefit analysis and sensitivity analysis
- Generation and evaluation of alternatives
- Establish priorities and sequences of desired improvements.

Establish a protocol to similarly identify, plan, and evaluate programs to improve the capacity and services of municipal institutions;

Assess various types of existing urban development programs in Bangladesh in terms of goals, results on the ground, stakeholder participation, institutional arrangements, financial envelope, sustainability, etc. The programs to be examined will include: ULBs (Pourashavas/ City Corporations) own investments, the national government investment programs and projects and various projects finance by development partners;



Assess the institutional and policy frameworks for urban local governance in Bangladesh, particularly as they affect the identification, planning and financing of municipal improvement programs; and recommend practical short-term as well as a longer-term agenda for improvements;

Assess the level and structure of municipal finance, including the intergovernmental fiscal structure, grant and loan programs to municipalities, local revenue instruments and performance, direct urban infrastructure investments by government agencies, and the existing support and supervision of municipal services and expenditure programs;

Assess explicit and implicit priorities of the national government related to urban development, and realistic national fiscal resources that can be directed to urban development, based on the macro-economic situation, public finance, and fiscal commitments.

Assess the current and prospective central transfers to urban local governments and the national government programs for municipal infrastructure and institutional development in terms of their efficiency, equity, and sustainability; and recommend improvements that can be effected in the short-term permanently or experimentally. These should include specific suggestions on, for example:

- Balancing equity and efficiency goals
- Introducing performance elements in grant and program allocation
- Regulatory and financial support to facilitate or arrange public-private partnerships.

Establish a methodology to assess and project ULBs (Pourashavas/ City Corporations) incomes and expenditures, in terms local development situation and needs.

Identify and assess potentials and recommend ways to increase the local financing to improve urban infrastructure and services, including the following:

- Potential increase of current local taxes and charges with or without increase in rates
- Potential new local fiscal revenue sources such as charges on property development; beneficiary charges, betterment levies, and contributions, and ways to quickly assess willingness and capacity to pay;
- Special local surcharges
- Ways to plan, adopt, collect, manage, and use of such revenues;
- Use of special purpose vehicles, special taxing districts, etc.
- Private concessions;
- Modifications to regulations or tax codes to allow the new financing instruments at least on an experimental basis.

The assignment also includes the following activities for each of the ULB.

- Analyze the demographic and economic profile of the Pourashavas/City Corporations and its development over the period 2010-2019;
- Establish an inventory of core public facilities including water supply, roads, public transportation, drainage, parks, street lighting, public place developments, kitchen markets, super markets, cattle markets, bus terminals, truck terminals, community centers, public toilets, solid waste management and assess their operation and maintenance (responsibilities, level of expenditures, further O & M needs, etc.);
- Compare the infrastructure and service levels with other similar cities in the country, and determine specific impediments and constraints to the quality of life and productive activities in the respective



municipality and how to improve the sustainability, efficiency and equity of the city's investments and institutional development;

- Evaluate the demand for facilities and services based on contingent valuation and participatory consultations with stakeholders;
- Assess current urban plans, and their realism of ULBs (ULBs as well as national agencies);
- Review the on-going and recent past municipal investment and capacity building activities, including the different types of programs identified above as well as the 'minimum program' of the Municipal Support Unit (MSU), focusing on their effectiveness; and
- Identify and evaluate high priority investment and institutional development measures, and determine their approximate costs and benefits, financing options, and appropriate sequencing.
- Describe how, and by whom, the development plans should be communicated to public in the respective ULB, and how and by whom their implementation should be monitored/ evaluated.
- Carryout detailed feasibility study of each ULB which follow the government's strategy and due diligence;
(i) Technical Justification of sub-projects; (ii) Economic and financial viability; (iii) Governance, Accountability, Financial Management' Procurement and Institutional issues; (iv) Poverty and social impact; poverty reduction, Social Impact and Gender parity; (v) Safeguards: Environmental, Social, Involuntary settlement, Indigenous people etc.

Each resulting *municipal development plan* should include both infrastructure and institutional development subprojects, each with its priority, funding, and schedule. It should be based on an overall Pourashava/city corporation vision statement/mission/objectives and priority strategies, interventions (policy changes, programs, and subprojects) and related action plans, and includes implementation and monitoring arrangements. The analysis should include, but not be limited to, assessment of the local economic development, the housing situation, infrastructure coverage and service delivery, environmental situation, governance and management, and city finances and resources.

The consultant will carry out consultations with relevant stakeholders (e.g. government entities, civil society/beneficiaries, service providers).

In conjunction with submission of a few Preliminary Municipal Development Plans/Master Plan prepared by LGED will be considered where available.



The geographical scope of the assignment:

The geographical assignment for the consultancy services will comprises 80-90 ULBs (Pourashavas/City Corporations) of different sizes in Dhaka, Chattogram, Sylhet, Khulna, Rajshahi, Rangpur and Mymensingh division. ULBs located along the growth corridors i.e Dhaka- Chattogram-Cox'sBazar corridors; Dhaka-Tangail-Bogura-Danajpur-Panchagor corridors, Dhaka- Rangpur-Saidpur corridors, Dhaka-Mymensingh corridors, Dhaka-Sylhet corridors, Khulna- -Pabna-Natore-Bogura-Rangpur corridors. The emerging growth corridors with the completion of the Padma bridge, the western corridors leading to the north-west border with India. The western corridors leading to north-west of the country considering the business activities with the neighboring country (India). The north-western corridors is very much important in terms of inter-regional trade and development prospects.

List of ULBs attached.

Time for completion of the Consultancy Services:

The time for completion of the assignment will be 09 (Nine) months after signing of the contract.

Staffing for the consultancy services:

Position	Educational qualifications & experience	Areas of responsibilities
Senior Urban Specialist (Team Leader)-1 (International)	Postgraduate degree in Urban Planning or a related discipline plus at least 20 years of diverse experience in urban development policy, municipal finance, planning and project, of which minimum 10 years of experience in international level as Team Leader. The candidate must be versatile with experience commensurate with the importance of the assignment and in particular should have worked on a similar project at the international level.	Leadership role Urban planning and Institutional options Urban development policy, municipal finance, planning and project He/she will act as team leader Any other task if required during study
Senior Civil Engineer (Deputy Team Leader)-1	Bachelor in Civil Engineering with Post Graduate & at least 20 years of diverse experience in development projects (analysis as well as project experience) of which five years exclusive urban experience.	Urban infrastructure inventory Urban infrastructure prototype design Institutional arrangement & role Tentative cost estimate for proposed sub-project Any other task if required during study
Senior Urban Planner-2	Masters in urban planning or related discipline with at least 12 years of diverse experience in urban development of which 7 years of	Urban planning and Institutional options Urban Planning Assess the role



	urban experience.	Any other task if required during study
Senior Economist/ Municipal Finance Specialist-2	Masters in economics, business administration, or a similar discipline with at least 10 years of relevant experience in economic, financial, and fiscal analysis of policy and projects, preferably regarding urban.	Fiscal analysis Financial analysis Economic analysis Cost-benefit analysis Any other task if required during study
Junior Economist/ Municipal Finance Specialist-2	Bachelor in economics, business administration, or a similar discipline with at least 5 years of relevant experience in economic, financial, and fiscal analysis of policy and projects, preferably regarding urban.	Fiscal analysis Financial analysis Economic analysis Cost-benefit analysis Any other task if required during study
Municipal Infrastructure Engineer-4	Bachelor in Civil Engineering with at least 10 years of municipal engineering experience.	Technical assessments, standards, and guidelines Assess the existing municipal infrastructure and proposed for future requirement Municipal technical design and analysis Any other task if required during study
Drainage Engineer-2	Bachelor in Civil Engineering with at least 10 years of drainages planning and design experience.	Technical assessments, standards, and guidelines Assess the existing drainage condition & suggestion/recommendation for future requirement and plan Technical design and analysis Any other task if required during study
Pavement Engineer-1	Bachelor in Civil Engineering with at least 10 years of urban road planning and design experience.	Technical assessments, standards, and guidelines Assess the existing transport network and condition and suggestion for future requirement and plan Technical design and analysis Any other task if required during study
Senior Architect-1	Bachelor in Architect with at least 7 years' experience in relevant field.	Technical assessments, standards, and guidelines Overall evaluation of existing planning and future development/expansion



		Any other task if required during study
Junior Architect-1	Bachelor in Architect with at least 5 years' experience in relevant field.	Technical assessments, standards, and guidelines Overall evaluation of existing planning and future development/expansion Any other task if required during study
Environmental Specialist-4	Bachelor in Civil Engineering/ Environmental engineering / Environmental Science preferably Masters in Environmental with at least 7 years experience in the relevant field.	Technical assessments, standards, and guidelines Analysis of environmental aspects Assess the existing solid waste management system/condition Provide guidelines /framework for future operation Any other task if required during study
Social Development /Resettlement Specialist -4	Master of Social Science/Sociology /Economics/ Social Welfare with at least 7 years experience in the relevant field.	Technical assessments, standards, and guidelines Assessment of the overall social condition of ULB Analysis social aspect Provide guidelines/framework for future operation Resettlement analysis Social assessment for ethnic group Livelihood change or possibility Assess the procedure for ensuring local participation Any social issues Any other task if required during study
Governance/Institutional Specialist-2	Bachelor in public administration, political science, or a similar discipline with minimum 10 years' experience in public administration and community development	Institutional options, participatory process Governance issues Tax assessment and collection and revenue generation system Administrative protocols of ULB staff & public representative Suggestions for effective role of standing committees Grievance redress of ULB Suggestion for future operation Any other task if required during study
Junior Urban Planner-4	Bachelor in Urban Planning	Support of the above
Junior Civil Engineer-6	Bachelor in civil engineering	Support of the above



Breakdown of key professionals and non-key professionals' inputs:

Sl. No.	Position	Number	Time input in month
	Key professionals		
1	Senior Urban Specialist (Team Leader) (International)	1	9
2	Senior Civil Engineer (Deputy Team Leader)	1	9
3	Senior Urban Planner	2	18
4	Senior Economist/ Municipal Finance Specialist	2	18
5	Drainage Engineer	2	18
6	Pavement Engineer	1	9
7	Senior Architect	1	9
	Sub-total of key professional	10	90
	Non-key professionals		
1	Municipal Infrastructure Engineer	4	36
2	Environmental Specialist	4	36
3	Social Development /Resettlement Specialist	4	36
4	Governance/Institutional Specialist	2	18
5	Junior Economist/ Municipal Finance Specialist	2	18
6	Junior Architect	1	9
7	Junior Urban Planner	4	36
8	Junior Civil Engineer	6	54
9	AutoCAD Operator	2	18
10	Computer Operator	2	18
11	Office Manager	1	9
12	Office Assistant	2	18
	Sub-total of Non-key professionals	34	306

Reporting:

The deliverables should include (but not limited to) the following:

Inception report	within 30 days of signing of contract.
Interim Report	within 3 (two) months of signing of contract
Mid Term report	within 5 (four months of signing of contract.
Draft final report	within 7 (seven) months of signing of contract.
Final report	within 9 (nine) months of signing of contract.



Payment schedule:

10% upon acceptance of inception report

20% upon acceptance of interim report

20% upon submission and acceptance of Mid Term report

25% upon submission and acceptance of Draft final report

25 % upon acceptance of final report