

6. Changes Proposed to be made in the financial Agreement

The Comprehensive Disaster Management Programme (CDMP-II) of MoFDM, engaged Urban Development Directorate (UDD), Ministry of Housing and Public Works (MoHPW), duly incorporated under the Laws of Bangladesh (hereinafter referred to as the "Partner Organization") in order to perform services in respect of **mainstreaming disaster risk reduction in urban planning practices** in Bangladesh. On the basis of the above said agreement, a financial agreement has signed by both the parties dated on 12th of April, 2011.

UDD shall perform and complete the agreed Services with due diligence and efficiency and also provide all technical and administrative support needed in order to ensure the timely and satisfactory performance of the Services. In full consideration for the complete and satisfactory performance of the Services, CDMP-II shall pay the UDD a contract price of total BDT. 99, 55, 000.00 (Ninety Nine Lacs and Fifty Five Thousand) only in six installments according to the signed agreement.

After getting the first installment on June, 2011, UDD has started its services accordingly parallel to its original day-to-day government activities. But, due to the administrative bottleneck, the chief accounting officer, Director of UDD, was vacant for a longer time and the work progress was very slow. Within this scenario, the personnel responsible for this project have completed all technical and administrative activities within their approved capability except the financial matter. For this unavoidable circumstance, it was obvious to make changes to its agreed working-schedule, milestone and divestment breakdowns.

Therefore, under the clause no, 8.1 (Modification) of the previously agreed "financial agreement", both the party has signed the "revised financial agreement" on 14th of September, 2011. The major change in the "Financial Agreement (Revised*) Between CDMP & UDD" is made under the sub-clause 3.3 where percentages of payment divestment breakdown (six in number) have been re-organized. After the careful conceptualization of the project and Reconnaissance Survey at Mymensingh project area by the Project Management Team members, it was felt to re-organize the agreed working-schedule, planning method and at the same time the costing of the project. The major changes was experienced by the team member regarding the

Travel Allowances (TA) from Dhaka-Mymensingh-Dhaka and food & living expenses that means Daily Allowances(DA) at Mymensingh Town. Travel allowances for officers and staffs were not included, in some case under estimated in the approved budget.

Apart from this, for the successful completion of the project, five more different financial items are incorporated in the proposed revised costing of the project which are very much needed such as (1) up-gradation and furnishing of training room and GIS Lab of UDD office, (2) procurement of four (04) Hand GPS for emergency data gathering and management, (3) procurement of two (02) Honda for quick deployment in rural area at the project, (4) necessary fuel cost for Honda and (5) remuneration for the newly formed Quarterly Activity Review Committee. After getting first hand information from Reconnaissance Survey, some unit rates of the previous items have up-graded.

The approved costing of the project, particularly the share of UDD was Tk. 99, 55,000 only. After re-estimation of the project, the revised costing and revised share of UDD has been increased around 8.44% and 25.83% respectively. The total costing has increased about TK. 25, 83,000 (Twenty Five Lacs Eighty Three Thousand) only which is described in the table-6.1 below. The detailed budget will be found in Annex-6.1 & Annex-6.2.

Table-6.1: Comparative estimate of previous and proposed budget of the MSDP (2011-2031) Project.

| S/N | Description | Total cost of project (BDT) in lacs (1, 00,000). | Share for UDD (BDT) in lacs. | Share for CDMP (BDT) in lacs. |
|-----|-------------------------|--------------------------------------------------|------------------------------|-------------------------------|
| | Approved Budget | 341.54 | 99.55 | 242.00 |
| | Proposed Revised Budget | 370.38 | 123.38 | 245.00 |
| | Difference | 28.84 | 25.83 | 3.00 |
| | % | 8.44% | 25.96% | 1.24% |