

**Bangladesh: Water Management Improvement Project (IDA 43590)**  
**IMPLEMENTATION SUPPORT MISSION – JULY 31 – AUGUST 12, 2015**  
**Aide Memoire**

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**I. Introduction**

1. A World Bank mission<sup>1</sup> visited Bangladesh from July 31 to August 12, 2015 to undertake an Implementation Support Mission for the Water Management Improvement Project (WMIP). The objectives of the mission were to: (i) review status of actions agreed during last mission; (ii) review performance on key contracts including works and services and progress towards meeting project objectives; (iii) discuss with the Government of Bangladesh the project completion requirements, (iv) review the status of credit utilization, and (v) discuss the Government's plan for future World Bank assistance to the sector.

2. The mission worked closely with the Project Coordination Unit (PCU) team. The mission met with the Secretary of Ministry of Water Resources (MoWR), Director General Bangladesh Water Development Board (BWDB), Director General Water Resources Planning Organization (WARPO), Project Coordinator WARPO, Project Director WMIP, and senior officers of the BWDB. The findings and recommendations of the mission were discussed at the wrap-up meeting on August 6, 2015, chaired by Mr. Zafar Ahmed Khan, Secretary MoWR. The mission also met Mr. Kazi Shofiquil Azam, Additional Secretary ERD, to apprise him about project progress and mission recommendations. As agreed, this Aide-Memoire (AM) will be classified as public, under the World Bank Access to Information policy. The mission is grateful for the cooperation, support, and hospitality extended by the Government of Bangladesh (GoB) during the visit.

**II. Project Data and Implementation Performance Ratings**

Project Data		Performance Rating		
Approval Date	September 18, 2007		Last	Now
Effectiveness Date	November 26, 2007	Project Development Objective	S	S
Closing Date (revised)	June 30, 2016	Implementation Progress	S	S
Net Commitment (Original)	SDR 67.5 million (US\$104.6 million)	Financial Management	MS	MS
Net Commitment (Revised)	SDR 62.1 million (US\$86.2 million)	Procurement	S	S
Percent Disbursed	92 %	Project Management	S	S

Note: S-Satisfactory; MS-Moderately Satisfactory; MU-Moderately Unsatisfactory; U-Unsatisfactory

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<sup>1</sup> Mission members: Tahira Syed (Sr. Rural Development Specialist and Task Team Leader); Toufiq Ahmad (Sr. Procurement Specialist); Asha Narayan (Sr. Financial Management Specialist); Mehrin Mahbub (Communications Officer); Rafiqul Islam (Engineer); Pabitra Nathan (Engineer); Mohammad Sayeed (Disbursement); Aminur Chowdhury (Financial Management); Md. Akhtaruzzaman (Sr. Social Development Specialist); Iqbal Ahmed (Environmental Specialist); Venkatakrishnan Ramachandran (Program Assistant) and Amani Haque (Program Assistant).

### III. Progress Towards Achieving the Project Development Objective

3. The PDO rating is maintained at **Satisfactory** as the project is now well positioned to meet the PDO results. The progress against outcome indicators in comparison to end of project targets is presented below (for more details, the updated Results Framework is attached in Annex 1):

- Indicator: A reduction in the level of damage to property and assets that is to the satisfaction of the communities in 60% of completed project schemes  
End of Project Target: 60% of completed schemes achieve reduction  
Progress: To date 60% of completed schemes report reduction from baseline values
- Indicator: About 60% reduction in crop area damaged by floods/cyclones in 60% of completed project schemes starting 2014-15  
End of Project Target: 60% reduction in crop damages in 60% of completed schemes  
Progress: To date 60% of completed schemes report 60% reduction in damages in crop area from baseline values
- Indicator: About 60% of completed project schemes have WMOs functioning in accordance with their roles and responsibilities in the management plan  
End of Project Target: 60% of completed schemes have functional WMOs  
Progress: To date WMOs are functional in 60% of completed schemes

### IV. Summary of Implementation Status

4. The implementation progress remains good since last mission. All agreed actions are completed and additional progress has been achieved under various components. The status of agreed actions from last mission is included in Annex 2. Based on implementation progress and disbursement levels, the IP rating is also maintained at **Satisfactory**. Following are highlights of project implementation progress:

- The credit utilization is at 92%. Disbursements for FY15 were fully achieved, and the FY16 projected disbursements are on track.
- In response to a GoB request, the project closing date was extended by one year to June 30, 2016. The project implementation plan for the extended period is on track.
- The overall scope of the project is spread in 39 districts of the country and to date the project has achieved the following results:
  - i. 716 km of embankments rehabilitated
  - ii. 315 water control structures reconstructed
  - iii. 41 km of protective works repaired
  - iv. 341 km re-excavation of canal
  - v. 500,000 households are directly benefitting
  - vi. 12 million person-days of employment generated

- vii. 785 Water Management Organizations (WMOs) formed
  - viii. 657 WMOs registered under the Chief Water Management (CWM) cell
  - ix. 785 WMOs have been provided with training
  - x. 785 WMOs have started the Joint Trial O&M training
- The rehabilitation of irrigation, drainage and river bank protection infrastructure has improved an area of 800,579 ha, reaching a population of 9.5 million.
  - The Sirajgonj Hardpoint (SHP) works are completed. To date overall progress is reported at 99.2% with the defect liability period dumping to be done if required. The completed dumping quantity is 112,154.808 cum and procurement quantity is 123,450 cum. The contract was completed April 30, 2015.
  - The SHP contractor has send a request for cost adjustment given the unavailability of local hard rock. The request is still under review and pending decision of the BWDB management. The mission stressed that the BWDB management should expedite final decision and inform the Bank.
  - The Flood Damage Rehabilitation (FDR) works have progressed well. Cumulative physical progress as of end June 2015 is reported at 98%. Of the total 91 contracts 84 are completed. Four of the remaining 6 contracts were terminated and 2 remain incomplete. There are Satkhira W-14 and Cox's Bazar W-4A.
  - The Revised DPP incorporating the recent reallocation between budget categories and one-year extension in project closing date until June 30, 2016 has been prepared by the BWDB and sent for approval. The mission requested that the approval of the RDPP (by MoWR and PC) be expedited to reflect recent changes and also process the refund of ineligible expenditures.
5. From May to July 2015, Bank team members visited completed and ongoing schemes in Faridpur, Madaripur, Chittagong, Cox's Bazar and Sirajgonj. Notes from the field visits are attached in Annex 3.

## V. Detailed Status and Specific Issues

6. **Components 1 and 2:** Beneficiaries in 32 schemes under component 1 and 35 schemes under component 2 have been mobilized into water management organizations (WMOs). The WMOs are formed with the aim to sustain participatory irrigation management in BWDB schemes. The WMOs are represented by water management associations (WMAs), the apex body of the water management groups (WMGs) at the scheme level. To date a total of 785 WMGs and 72 WMAs have been formed in the 67 schemes financed under WMIP. A location map of component 1 and 2 schemes is attached in Annex 4.
7. Under the System Improvement and Management Transfer (SIMT) (**Component 1**), the revised target of forming 409 Water Management Groups (WMGs) and 35 Water Management Associations (WMAs) is fully completed as of March 2015. As of June 2015, 99 Labor Contract Service (LCS) groups have been formed and 31 schemes are completed out of

the total 32 schemes. The LCS work on only one scheme is being completed. Preparation of O&M management plan and monitoring and evaluation (M&E) plan is completed.

8. Under the Operations and Maintenance Performance Improvement (OMPI) (**Component 2**), the revised target of forming 376 Water Management Groups (WMGs) and original target of 37 Water Management Associations (WMAs) is completed as of March 2015. A total of 74 LCS groups are formed and 34 schemes out of the target of 35 schemes have been completed. The status of organization management training of WMOs is completed and provided below:

	Schemes	WMOs	Training batches
<b>Component 1</b>	32	409	143
<b>Component 2</b>	35	376	138
Total	67	785	281

9. **Transition for joint O&M:** The first batch of 41 schemes will complete their joint trial is October and November 2015. The schedule of conducting joint trial O&M is on track with expected completion as follows:

Component	No. of Schemes	Joint Trial O&M Schedule	Completion Schedule
SIMT ( <b>Component 1</b> ): total 32 schemes	20	November 2014	October 2015
	4	December 2014	November 2015
	6	February 2015	January 2016
	1	March 2015	February 2016
	1	May 2015	April 2016
OMPI ( <b>Component 2</b> ): total 35 schemes	21	November 2014	October 2015
	3	December 2014	November 2015
	8	February 2015	January 2016
	2	March 2015	February 2016
	1	April 2015	March 2016

10. Formation of O&M sub-committees of the WMOs is completed and the number of sub-committee is 353. The overall progress of the component 1 and 2 is provided in the table below:

Component	No. Schemes	WMG		WMA		LCSs Formed	Progress
		Revised	Achieved	Revised	Achieved		
Component 1	32	409	409	35	35	104	100%
Component 2	35	376	376	37	37	76	100%
Total	67	785	785	72	72	180	100%

11. The mission was informed that the need for continued strengthening of the WMOs and WMAs is more important now that these newly formed organizations are about to receive transference of completed scheme and take over O&M responsibilities. At the

organizational level, the WMOs remain less active in holding regular meetings, savings and efforts on viable investments out of their savings.

12. The division offices have still not identified and allocated available BWDB resources in the scheme areas to the WMOs for investment and generating income. The BWDB is aware of the need to plan and implement measures to strengthen and sustain the WMOs, however given limited resources within the current project financing, this may not be possible. The Bank mission recommended that the WMOs should be provided with additional resources and technical assistance to ensure their sustainability. This includes assistance with registration, savings mobilizations and allocation of available BWDB resources to the registered WMAs under a detailed and phased plan. The mission advised that BWDB should prepare a detailed plan on how they will sustain the newly formed WMOs to ensure that, after the end of the current program, these structures continue to remain actively engaged in the participatory planning processes for irrigation and water management schemes. BWDB will share its plan for sustainability of WMOs with the Bank team.

13. **Registration of WMOs:** The office of Chief Water Management (CWM) of BWDB has been authorized for issuing registration to the WMOs formed in all schemes/polders under BWDB. A Gazette notification to this effect has already been published. The registration process of WMOs has now started after some delays. To date 785 WMOs have submitted their registration papers to the CWM; of these 377 WMOs have been issued registration, which enables them to be recognized as formal entities eligible to receive support from the government.

14. **Flood Damage Rehabilitation (FDR) Works:** The overall progress of the physical works is 98%. Of the total 91 contracts 84 are completed. Four of the remaining 6 contracts were terminated and 2 remain incomplete. There are Satkhira W-14 and Cox's Bazar W-4A. The BWDB has recommended to allow completion of Satkhira W-14 as the progress to date is at 92%. The Cox's Bazar W-4A is recommended for contractual action since the progress remains slow at 72%. Below is a summary of achievement of project targets as provided during the mission:

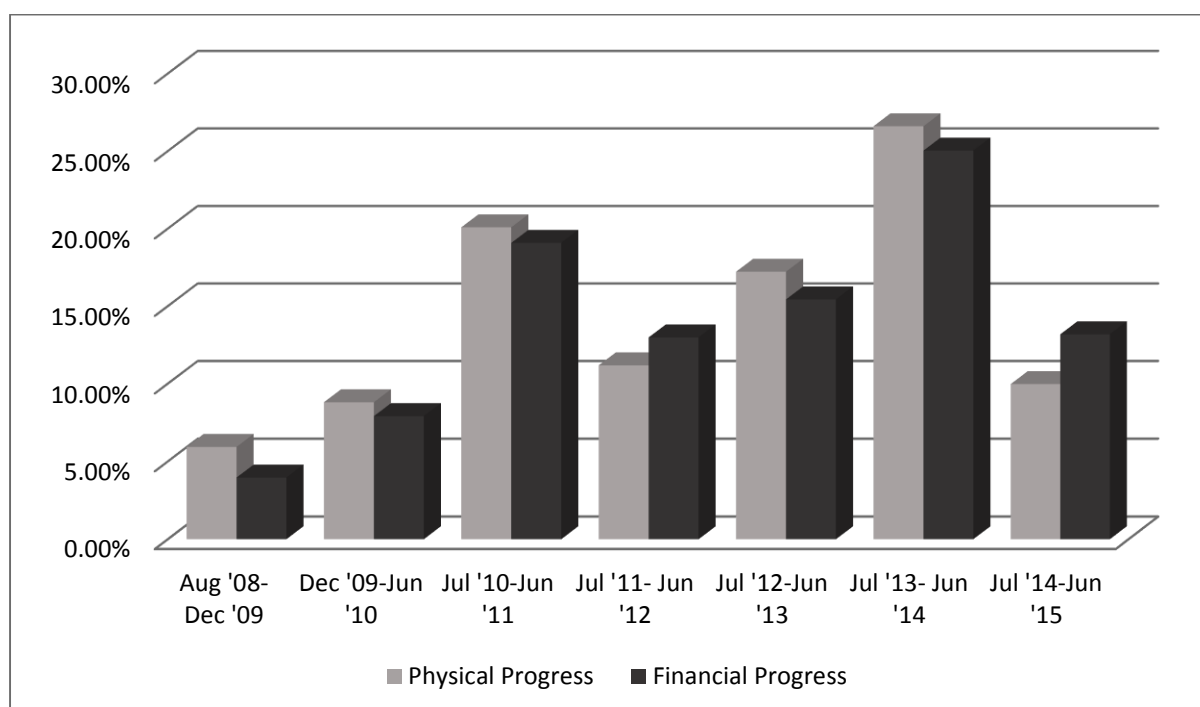
#### Status of Schemes under FDR

No.	Scheme Type	Target	Completed
1	Flood Control (FC)	3	3
2	Flood Control and Drainage (FCD)	33	33
3	Flood Control Drainage and Irrigation (FCDI)	4	4
4	Town Protection (TP)	21	19
	<b>Total</b>	<b>61</b>	<b>59</b>

### Status of Physical Components under FDR

Types of Works	Unit	Target	Achieved	Remaining
Embankment	Km	422.8	422.8	0
Water Control Structure (WCS)	No	90	90	0
Protective Work	Km	42.3	41.49	0.95

15. The mission also reviewed the cumulative progress of FDR component. The physical and financial progress by each project year is shown below:



16. The mission received a detailed update on contract-wise performance of all works. The mission was informed that there are 4 packages where protective works could not be completed. The contract status of these package is as follows:

No.	Package Name	Length of incomplete Protective Works (km)	Overall Progress of Package (%)	Recommended action
1	Satkhira-2/W-14	0.20	92%	Complete works
2	Gopalganj/W-2A	0.32	39%	Terminate
3	Coxs Bazar/W-4A	0.12	72%	Terminate
4	Sylhet/W-1	0.31	65%	Terminate
	<b>Total</b>	<b>0.95 km</b>		

17. **Sirajgonj Hard Point:** The mission was informed that scheme at the Sirajgonj Hard Point (SHP) has been completed. The contract details are below:

Date of Commencement	January 15, 2013
Date of Completion (Original)	January 15, 2014
1 <sup>st</sup> extension	June 30, 2014
2 <sup>nd</sup> extension	February 28, 2015
3 <sup>rd</sup> extension – contract completion	April 30, 2015
Contract amount	BDT 73,90,13,800.00 (USD 9,491,700)
Contract amount (revised)	BDT 80,34,18,203.32 (USD 10,318,894)
Overall Physical Progress	99.2%; Defect Liability Period dumping if needed
Financial Progress (payments certified June 2015)	BDT 77,75,61,266.59 (USD 9,986,794)
Hard rock procured	123,450 cum (4% of 4039.57 cum held)
Dumping quantity completed	1,12,154.808 cum

18. The SHP contractor has sent a request for cost adjustment given the unavailability of local hard rock. The request is still under review and pending decision of the BWDB management. The mission stressed that the BWDB management should expedite final decision and inform the Bank.

19. Overall the implementation progress of FDR component remains satisfactory. A location map of FDR schemes is included in Annex 4. Below is the current status of FDR works:

S. No.	Description	Status
1	Total Packages (including packages terminated)	91
2	Tenders invited	91
3	Tenders received	91
4	Contract awarded	91
5	Contracts completed	84
7	In progress	2
8	Terminated	4
Physical progress of awarded 91 contracts		98%
Financial progress (as of June 2015)		97.5%

20. The mission was informed that a number of protective works and other schemes were planned and approved, but could not be undertaken due to funding and timing constraints. The works that had to be dropped for these reasons are listed below:

- Rehabilitation of 6 sluices in Polder-56/57 (Charfasson-Lalmohan) and 1 in Polder-58/2 (Monpura), District Bhola. Rehabilitation will extend life of the valuable structures. Design available.
- About one km river bank protection in Morrelganj Thana Health Complex project, District Bagerhat, rebidding permitted.
- Protective works in about one km on the right bank of the Betna River in Polder-2, Upazila-Assasuni, District Satkhira, rebidding permitted.

21. **Training and Capacity Development:** As part of the institutional strengthening of BWDB, training and capacity building program have been completed for 354 participants. Additional training and information on international best practices remains a continuing need for the BWDB officials. Under the various activities, the overall progress of component is 84% as of June 2015. This progress is reflective of some training programs that were covered under other GoB programs and those that could not be completed due to withdrawal of GoN Trust Fund in the amount of approximately USD 17.0 million. This withdrawal also impacted the capacity building program for WMOs strengthening which was contingent upon institutional strengthening of BWDB officials and zonal teams. The overall progress of the component as of May 31, 2015 is as follows:

No.	Activity	Progress (%)
1	Consolidation of Reform Initiatives	99
2	Staff Training and Development	96
3	In-house Capacity for community development organizers	86
4	Procurement and Financial Management	70
5	Modernization of BWDB's operations by computer	56
<b>Over all Progress: 84%</b>		

22. **Monitoring and Evaluation:** The M&E consultants are continuing monitoring of the PSM process; performance of BWDB schemes; institutional improvements at WARPO and BWDB; and the overall WMIP performance. For the PSM process, the team has fully completed the monitoring of step 1 to step 6 (component 1) and step 1 to step 2 (component 2), and partially completed the next steps for both components. Results are presented in field visit reports that are submitted to BWDB. The mission recommended that M&E consultants should also identify results and success stories in the report to the BWDB. PCU will share these reports with the Bank team.

23. **Strengthening Communications and Sharing Results:** The mission specifically emphasized the need to highlight the project results and impact on water users and farming communities. For this purpose, the PCU will hire a short term individual consultant to design specific communication and results sharing interventions to highlight the project achievements with various audiences including policy makers, water management practitioners and general public and communities. The mission recommended that the WMIP team consult with the Bank's External Affairs unit for receiving further guidance on this. Given that the project has entered its final implementation year, the mission stressed the need to collect adequate information on the immediate impact of project interventions. This information will also form the basis for the project implementation completion and results report.

## VI. Safeguards and Civic Engagement

24. The overall performance rating for environmental and social safeguards is maintained as **Satisfactory**.

25. **Environmental Safeguards:** The mission was informed that the physical progress of all the subprojects under the project has almost been completed. It was reported that the site



specific environment plan was managed properly and no complaint on environment issues was reported. The mission noted that the environment compliance reports on the schemes under Component 1 and 2, and the Sirajgonj Hard Point (SHP) have been documented. The mission requested to prepare the environment compliance report on the schemes under FDR component too and it was agreed the report will be submitted by September 15, 2015.

26. **Participatory Scheme Management in Components 1 and 2:** A total of 785 water Management Groups (WMG) have been formed; 409 in 32 schemes under component 1 and 376 in 35 schemes under component 2. Thirty five Water Management Associations (WMA), the apex body of WMGs have been formed under component 1 and 37 under component 2. Registration of the WMGs with the Chief Water Management (CWM) Office of BWDB has been completed for 657 WMGs. Registration applications for 30 WMAs have been placed with CWM office. Papers for remaining WMGs and WMAs have been under process for placement with the CWM for registration. Joint trial operation and maintenance (O&M) in all the 67 schemes have been started and the last batch trial will be completed in March 2016. Management Plan for taking over O&M by the WMOs and handing over documents to execute the O&M transfer have been prepared. The mission expects that the registered WMOs are under the oversight of the CWM and the O&M Division offices recognize the WMOs in overall O&M of the schemes. BWDB will complete registration of the remaining WMOs by September 15, 2015.

27. **Labor Contracting Societies (LCS):** LCS of poor, destitute women and men have been formed in the project schemes. These LCSs have been engaged in project civil works to share the direct benefit of additional employment and income. A total of 102 nos. of LCS under component 1 and 74 nos. of LCS under component 2 schemes have been formed. LCS contracts were limited to earth works for embankment re-sectioning and re-excavation of irrigation and drainage canals. Total contract amount under LCS was BDT 111.50 million and 96.70 million has already been recommended for payment up to June 2015. A total of 10,264 poor and destitute people including 1,992 women have benefited from employment through these LCSs.

28. **Social Safeguards:** Involuntary resettlement has been fully avoided in all civil works for rehabilitation and improvement of WMIP subprojects. At unavoidable circumstances, temporary shifting of structures of squatters in one scheme in Faridpur and use of private land in a small section of few meters in one scheme have been allowed under voluntary donation of land use right. BWDB assured that these acts have been duly documented and there will be no claim whatsoever in future. It was agreed that BWDB will share the documentary evidence of the voluntary act of surrendering land use right for the scheme embankment in Patuakhali with the Bank by August 31, 2015.

## **VII. Integrated Fiduciary Assessment**

29. The overall fiduciary performance of the project is rated as ***Moderately Satisfactory***. The MS rating is due to outstanding FM issues for BWDB and WARPO.

30. **Procurement:** The mission notes significant consolidation of the procurement activities in a realistic way as suggested in the last mission. The overall procurement performance of the project is maintained at **Satisfactory** from the previous mission.

31. **Procurement Plan:** The mission requested the BWDB to send the revised procurement plan after due update of all payment related information, contractor name and current status of the contract.

32. **Contract Management:** The mission noted that several contract amendment requests in the recent past have asked for time extension. The mission advised that the client should appropriately justify whether the time extension is a genuine need and is not a result of poor planning or contract management. The mission clarified that disbursements under the Credit will be eligible only if the expenditures are incurred on or before the Credit closing date of June 30, 2016 (i.e., payments have been made or payments are due for goods and services that have been delivered including their acceptance prior to the Credit closing date). Expenditures incurred after the Credit closing date will not be eligible for disbursement.

33. **Financial Management:** This mission focused on the key issues and reviewed progress on agreed actions relating to WARPO and BWDB components. While there is significant progress made in the last 2-3 months, and the FM performance rating remains at **Moderately Satisfactory** due to some outstanding matters. Once the agreed FM actions from this mission have been taken, the Bank will consider upgrading the rating to Satisfactory.

34. **WARPO component** – The main issues reviewed were the outstanding IUFRs, single audit observation of FY14 and the ineligible expenditures declared in January 2015 as described below:

- **Outstanding IUFRs** – During the mission, WARPO shared with the Bank the consolidated IUFRs up to period/ year ended June 30, 2014. The IUFRs were prepared by WARPO with assistance from the FM consultant specifically hired for the purpose. The IUFRs included a gap analysis identifying the differences in reported figures between WARPO records and the FY14 audited financial statements; and the bank reconciliations for every year end from project inception to FY14. The IUFRs were subsequently shared formally with the Bank, and have been accepted. Some observations have been brought to the attention of WARPO, which requires some actions from their side in order to reconcile all differences and ensure that the FY15 financial statements match with WARPO records.

Further, there is a payment for BDT 80,183 made by the Bank in June 2011 that has apparently not been received by WARPO, this came to light during the reconciliation process. WARPO is following up with their Bank to trace the payment. It has been agreed that WARPO will submit a single consolidated IUFR for FY15 (up to period ended June 2015) by **August 31, 2015**. With this, all overdue IUFRs for WARPO would be received

- **Single audit observation of FY14** – FAPAD issued a qualified opinion on the financial statements due to discrepancies in the amount of IDA receipts between the financial

statements and the SOE statement. With the IUFR reconciliation, this issue stands resolved. The FY15 audit report is due by December 31, 2015.

- **Ineligible expenditures of BDT 498,457** – The Bank issued a formal letter to ERD on January 29, 2015 declaring the amount of BDT 498,157 ineligible and requested a refund by February 26, 2015. Bank has not received the refund so far, nor has there been any communication from WARPO/ ERD in this regard. During the mission, WARPO informed the Bank that it has been able to retrieve some additional documentation in relation to these expenditures and has shared it with FAPAD. It was agreed that WARPO should provide a written update to the Bank by September 15, 2015 on the issues raised in its January 29, 2015 letter. In the absence of a written response from WARPO providing additional information, the declaration of ineligibility and refund request remain in effect and require immediate action by the Government.
- **Continuation of FM consultant** – The external FM consultant has proved very helpful to WARPO and has helped them reconcile the IUFRs up to period ended June 30, 2014. Bank recommends that WARPO continue to retain the consultancy for a few days in the month for the remaining project period. The FM consultant will primarily assist in preparing the outstanding IUFRs up to period ended June 30, 2015, prepare FY15 financial statements after taking into consideration all the observations on the consolidated IUFR up to June 2014, and will ensure that the FY15 financial statements reconcile with WARPO books of records. This assistance will also ensure that close to project closing the WARPO financial records are complete and all information is recorded for availability of post-closure processing.

35. **BWDB component** – The key issues reviewed were the unresolved audit observations of FY14 and declared ineligible expenditures described below:

- **FY14 audit observations** – There are 8 observations that remain resolved. BWDB informed the Bank that the 8 observations were in various stages of communication with FAPAD, and that 3 of them have been cleared by FAPAD. As the observations were communicated by the Bank on March 16, 2015, BWDB was advised to submit a response to the observations irrespective of the stage of resolution. The response has been submitted to the Bank and it is being reviewed. Bank will revert to BWDB by **September 15, 2015**.
- **Ineligible expenditures of BDT 20,508,456** – Bank issued a letter to ERD on July 9, 2015 clarifying the actual amount of the refund arising from misprocurement declared in July 2014, and providing an extended timeline for the refund up to September 30, 2015. Bank expects that the refund will be received by the agreed date. During the mission, BWDB indicated there might be a delay due to lengthy government process. It was agreed that in that event, BWDB should keep the Bank informed.

36. **Disbursements:** Following the closing date extension the Project revised the FY15 disbursement estimates to US\$ 14.68 M (\$14.15 M for BWDB and \$ 0.53 M for WARPO). In fact, US\$ 13.16 M was disbursed during FY15 by BWDB (93.0% of the estimates) and WARPO's disbursement was US\$ 0.28 M or 52.26% of the revised estimates.

37. In case of WARPO there is one withdrawal application submitted for YS\$ 0.13 M during July 2015 (FY16) which was disbursed by the Bank on July 21, 2015. The withdrawal application(s) for pending expenditures incurred by BWDB (BDT 450 M equivalent to \$ 5.76 M) at close of FY15 will be submitted in August 2015.

38. The current undisbursed balance of the Credit is \$ 7.04 M equivalent and the advance to the two Designated Accounts is \$6.30 M equivalent. The FY16 budget allocation for WMIP is adequate (US\$ 6.40 M equivalent) to cover remaining period of the Project.

### **VIII. Next Steps**

39. The BWDB has sent a proposal through MoWR to Planning Commission and ERD for initiating discussion on possible program continuation. The proposal is expected to include support for strengthening and sustaining the newly formed Water Management Organizations (WMOs) to deepen the participatory reforms. In addition, given the high demand from farmers to undertake additional rehabilitation of on-farm and small irrigation structures, the BWDB has identified specific schemes for the continuation phase.

40. The agreed actions from this mission are summarized below. The next mission to review the status of these actions and overall project progress is tentatively planned for October/November 2015, subject to Government's availability.

<b>No.</b>	<b>Agreed Actions and Timeline</b>
1	RDPP is pending approval from the Ministry of Water Resources and the Planning Commission. PCU will follow up to expedite the approval and inform the Bank accordingly
2	Communicate final decision on the SHP contract complaint to the Bank by August 31, 2015
3	Prepare and submit a detailed environmental compliance report on FDR schemes and send to Bank by September 15, 2015
4	BWDB to continue monitoring and take appropriate measures to address the issues in slow performing FDR works
5	For all completed and ongoing contracts, PCU to prepare a detailed report on completed payments and payments under process
6	BWDB to prepare a detailed plan for sustainability of WMOs post-WMIP and identify specific actions. This should be included in the proposal for follow on phase
7	CWM to complete registration of remaining WMOs on a priority basis
8	PCU to recruit consultant(s) to deliver communication and results stories for highlighting project achievements
9	BWDB to follow up with FAPAD on resolution of audit observations and inform the Bank by August 31, 2015
10	BWDB to complete processing of refund resulting from the ineligible expenses of BDT 31,934,835.14 related to contract package W-1
11	WARPO to complete processing of refund resulting from the ineligible expenses of BDT 498,157 related to travel expenditures
12	WARPO to prepare financial statements as per format discussed with the Bank team for period ending June 2014

No.	Agreed Actions and Timeline
13	WARPO to prepare single IUFR for FY15 after completion of reconciled financial statements for period ending June 2014
14	WARPO to prepare independent financial statement for FY 13-14 for submission to FAPAD for seeking waiver on audit observations
15	WARPO to retain the FM consultant for the remaining duration of project implementation period.

# Annex 1

## Results Framework (updated as of June 2015)

Indicators	Unit of Measure	Baseline	Cumulative Target Values			
			2011-12	2012-13	2013-14	2014-15
<b>Revised Project Development Objective:</b> To improve water resources management by improving infrastructure and institutions through rehabilitating damaged water infrastructure, piloting the role of local communities and enhancing the institutional performance of the Country's principal institutions, particularly BWDB and WARPO						
<b>Indicator One:</b> A reduction in the level of damage to property and assets that is to the satisfaction of the communities in 60% of completed project schemes	Value of damage in Taka	BDT 79.9 Billion in total damage, 2007 <sup>1</sup>  BDT 4.9 Billion in damages to all embankments and water control structures, 2007 <sup>1</sup>  BDT 5559.2 Million in damages in 475 BWDB schemes, 2007 <sup>2</sup>  BDT 322.8 Million in damages in 39 WMIP sample project schemes, 2007 <sup>2</sup>		In progress	Less than baseline in 60% of completed project schemes	Less than baseline in 60% of completed project schemes
<b>Achieved</b>			0	Schemes started in 2012-13	60% of completed schemes	Achieved in 60% of completed schemes
<b>Indicator Two:</b> About 60% reduction in crop area damaged by floods/cyclones in 60% of completed project schemes starting 2014-15	Hectare	Total of 186,883 ha fully damaged and 498,645 ha partially damaged, 2007 <sup>3</sup>  27,100 ha damaged in 23 WMIP sample project schemes, 2007 <sup>4</sup>		In progress	60% lesser than baseline in crop area in 60% of completed project schemes	60% lesser than baseline in crop area in 60% of completed project schemes
<b>Achieved</b>			0	Schemes started in 2012-13	60% of completed schemes	Achieved in 60% of completed schemes
<b>Indicator Three:</b> About 60% of completed project schemes have WMOs functioning in accordance with their roles and responsibilities agreed upon in the management plan	% of completed project schemes	22% of WMIP sample project schemes with WMOs <sup>5</sup>		In progress	WMOs in 50% of completed project schemes	WMOs in 60% of completed project schemes

Indicators	Unit of Measure	Baseline	Cumulative Target Values			
			2011-12	2012-13	2013-14	2014-15
<b>Achieved</b>			0	WMOs formation underway	50% of completed schemes	Achieved in 60% of completed schemes
<b>Immediate Result (Component One):</b> Improved water resources management capacity of the local communities to participate actively in the planning and management of flood control, irrigation and drainage schemes						
<b>Intermediate Result Indicator One:</b> Successful completion of rehabilitation and improvements in 100% of targeted project schemes	% of targeted project schemes	Not applicable		60% of targeted project schemes completed	97% of targeted project schemes completed	100% of targeted project schemes completed
<b>Achieved</b>			0	60%	90%	98%
<b>Intermediate Result Indicator Two:</b> Operational water user associations created and/or strengthened (number) ( <b>Core sector Indicator</b> )  <u>Detailed text as per original indicator:</u> Signed agreement between BWDB and WMOs completed in 100% of completed project schemes	Number <input checked="" type="checkbox"/>  % of completed project schemes	Not applicable		In progress	50% of completed project schemes	785 WMOs formed and received training  100% of completed project schemes
<b>Achieved</b>			0	Initial mobilization underway	50% schemes have WMOs	100% schemes have WMOs
<b>Immediate Result (Component Two):</b> Improved culture and practice of O&M planning and execution within BWDB and improved capacity of the local communities to participate actively in operations and maintenance of flood control, drainage and irrigation schemes						
<b>Intermediate Result Indicator One:</b> Timely completion of need-based O&M assessment and allocation of BWDB's O&M budget for 100% of completed project schemes	% of completed project schemes	Not applicable				Completion of need-based O&M assessment and allocation for 2015-16 from BWDB's O&M budget for 100% of completed project schemes
<b>Achieved</b>						To be completed in current budget planning cycle

Indicators	Unit of Measure	Baseline	Cumulative Target Values			
			2011-12	2012-13	2013-14	2014-15
<b>Intermediate Result Indicator Two:</b> Compliance to participatory monitoring system in 100% of completed project schemes <sup>6</sup>	% of WMOs in completed project schemes	Not applicable			80% of WMOs in completed project schemes	80% of WMOs in completed project schemes
<b>Achieved</b>					Compliance in 80%	Compliance in 100%
<b>Immediate Result (Component Three):</b> (a) BWDB provides responsive, effective and efficient services to its clients for water resources management; and (b) WARPO provides responsive, effective and efficient support to Government policy and macro-level water resources planning						
<b>Intermediate Result Indicator One:</b> BWDB's institutional reform plan completed by June 2011 and approved by December 2012		Not applicable		Institutional reform plan completed and approved <sup>7</sup>		
<b>Achieved</b>				Completed		
<b>Intermediate Result Indicator Two:</b> Following BWDB's approved institutional reform plan, new staffing plan completed and approved by Dec 2012		Not applicable		New staffing plan completed and approved		
<b>Achieved</b>				Completed		
<b>Intermediate Result Indicator Three:</b> Following (1) and (2), HRD plan completed by June 2013		Not applicable		HRD plan completed		
<b>Achieved</b>				Completed		
<b>Intermediate Result Indicator Four:</b> WARPO's institutional reform plan completed by December 2011		Not applicable				Institutional reform plan completed and approved <sup>8</sup>
<b>Achieved</b>						Plan completed
<b>Intermediate Result Indicator Five:</b> Updated NWRD database with enhanced data layers completed and disseminated	% completion	Status of database		In progress	50% completion	100% completion
<b>Achieved</b>				Database initiated	50% progress	80% progress



Indicators	Unit of Measure	Baseline	Cumulative Target Values			
			2011-12	2012-13	2013-14	2014-15
Immediate Result (Component Four): Improved water resources infrastructure in areas in need of emergency rehabilitation						
Intermediate Result Indicator One: Successful completion of rehabilitation and improvement in 100% of target	% of target	Not applicable		60% of targeted works <sup>9</sup>	80% of targeted works <sup>9</sup>	100% of targeted works <sup>9</sup>
Achieved				60% completed	80% completed	98% completed

**Notes:**

- 1 Cyclone Sidr in Bangladesh: Damage, Loss and Needs Assessment for Disaster Recovery and Reconstruction, April 2008 [A report prepared by GoB assisted by the International Development Community with financial support from the European Commission.
- 2 Summary of Damages of BWDB's Infrastructure Due to Flood 2007, BWDB [printed material].
- 3 National Plan for Disaster Management, 2010-2015, Disaster Management Bureau, Disaster Management and Relief Division, April 2010.
- 4 Various sources including CEGIS database, PRA Reports and EIA Reports.
- 5 Preliminary based on sample schemes with available PRA reports.
- 6 Refers to compliance to participatory monitoring of O&M plan.
- 7 Refers to progress reporting of Package BWDB-S5 Consultant activities to support the implementation of institutional reforms, which include work on organization set-up, skills mix and dissemination of information on reforms.
- 8 Progress reporting will include the implementation of recommendations in the approved Final Report on Strengthening of WARPO Organizational and Institutional Development as well as those in the Organizational Development Plan that has been approved by the WARPO Board.
- 9 FDR works are categorized as: [a] length of embankments in km; [b] WCS in number; and [c] length of protection works in km.

## Status of Agreed Actions from April 2015 Mission

No.	Agreed Actions and Timeline	Status and Remarks
1	RDPP is pending approval from the Ministry of Water Resources and the Planning Commission. PCU will follow up to expedite the approval and inform the Bank accordingly	Ministry of Water Resources reviewed RDPP proposal and it is expected to be sent to planning commission within 2 days for approval by the ECNEC.
2	Monitor and ensure completion of remaining procurement on the SHP contract before contract closing date of April 30, 2015	Complied
3	Prepare and submit a detailed environmental compliance report on Sirajganj Hard Point (SHP) by May 15, 2015	Submitted as annexure of Final Report of the FDR Consultant
4	On the SHP contract, the contractor's request for cost adjustment has been reviewed and final decision on the report is pending with the BWDB. The BWDB management should expedite final decision and also share the same with the Bank	BWDB has formed a committee to resolve the issue. Under the submission of committee's report. Board will take the decision regarding the matter.
5	BWDB to continue monitoring and take appropriate measures to address the issues in slow performing FDR works	Status of the six slow performing FDR Packages are:  i. Satkhira-2/W-10, Completed. ii. Madaripur/W-04, Completed. iii. Sylhet/W-01, Terminated. iv. Gopalganj/W-2A, Terminated. v. Satkhira/W-14, 92% Completed, Remaining 8% includes dumping of Geo bags & cc blocks. vi. Cox's Bazar/W-4A, 72% completed, financial progress 64.4%. Remaining 28% work could not be done due to the unavoidable circumstances in the field level.
6	Monitor timely completion of all ongoing/remaining works contracts as per agreed completion schedule	Completed
7	For all completed and ongoing contracts, PCU to prepare a detailed report on completed payments and payments under process	Update information is being prepared
8	BWDB to prepare a detailed plan for sustainability of WMOs post-WMIP and identify specific	Under process.
9	CWM to complete registration of remaining WMOs on a priority basis	The office of the Chief Water Management has issued registration of 644 WMGs out of 765. Rests (WMGs) are process of registration. The registrar of BWDB is reviewing the documents. Necessary papers of 30 nos. WMA have been submitted to concern registrar of Chief Water Management Office.
10	The M&E consultants to identify and include results stories in the report to client. The PCU will share the finalized report with Bank	Under process.

No.	Agreed Actions and Timeline	Status and Remarks
11	PCU to recruit an individual consultant to design specific communication and results sharing interventions to highlight the project achievements	Under process.
12	Continue updating the procurement plan and sending to the Bank till the completion of all active contracts	Completed
13	PCU to ensure all consultants are informed of their commitment to keep the key staffs till the end of their respective contracts	Completed
14	WARPO to complete processing of refund resulting from the ineligible expenses of BDT 498,157 related to travel expenditures	WARPO issued an order to five government officials for collection of amount BDT 498,157 and also a clearance from Ministry of Finance as regard clearance for refund. In the mean time we have requested FAPAD to review the refund and still it is under process at FAPAD
15	WARPO to prepare financial statements as per format discussed with the Bank team for period ending June 2014	WARPO recruited a consultant to prepare the statement. The revised financial statements are prepared and sent for Bank review
16	WARPO to prepare independent financial statement for FY 13-14 for submission to FAPAD for seeking waiver on audit observations	The preparation of financial statements (FS) to be submitted to FAPAD for seeking waiver on audit observation will be sent once the FS are accepted by the Bank
17	WARPO will prepare IUFRs with bank reconciliation for the quarters ending March 2014, and June 2014 for submission to the Bank by April 30, 2015	Financial Statements up to June 2014 have been prepared and sent for Bank review
18	IUFRs with bank reconciliation will be prepared by WARPO for the quarters ending September 2014 and December 2014 for submission to the Bank by May 30, 2015	The Bank team has agreed to receive a single IUFR for the FY15. This is subject to acceptance of June 2014 IUFRs
19	WARPO will prepare and send to the Bank IUFRs for quarter ending March 30, 2015 by June 30, 2015	The Bank team has agreed to receive a single IUFR for the FY15. This is subject to acceptance of June 2014 IUFRs
20	PCU to send the response received from FAPAD to the Bank by May 31, 2015	Completed
21	PCU will submit the required documents for the remaining 4 audit paragraphs by May 31, 2015	Completed
22	Internal audit report for FY12 and FY13 will be shared with the Bank by April 20, 2015 (completed)	Completed

### Site Visits Report

Members of the Bank task team carried out field visits to various schemes, reviewed the status of LCS work, and held meetings with WMAs, WMGs. The Bank team visited Faridpur, Madaripur, Chittagong, Cox'sbazar and Sirajgonj districts.

Following is a summary of scheme-wise visits:

#### 1. Site Visit Report

(May 17-19, 2015)

1. **Introduction:** The purpose of this site visit is to review , monitoring and keep the updated record of the work progress done at site.
2. Contract Package No. W-4A in Teknaf: The work is in slow progress and in a joint meeting with Superintendent Engineer (SE), Executive Engineer of BWDB and Consultant engineer that the Contractor has been asked to expedite the work progress as a last chance for the Contractor verbally and he has agreed to complete the work within next month June 30, 2015. The revised work completion date was June 2, 2014.
3. Total about 3000 nos. of geo-bags are verbally rejected by the task force during their last visit on May 17, 2015 which are not in accordance with specification and gave them instruction to rectifying the unspecified gunny bags according to specification. The Contractor has been started the rectification works of gunny bags.
4. Visited Site and Packages :

Contract Package no.	Location	Date of commencement	Revised completion date	Physical Progress (%) on May 19, 2015.
W- 4A	Cox's bazar (Teknaf)	April 24,2012	June 2. 2014	72.0%
W-3A	Kutubdia	Jan 15. 2013	February 28,2015	99.0 %
W-5	Kutubdia	June 29,2012	January 31, 2015	96.0 %

5. Contract Package No.W-3A in Kutubdia (remaining works): This packages are consists of 1100m Embankment and protective works which has been successfully completed on April 15, 2015. About 1.5 lacks people will get benefit by cultivating in their land and producing salt naturally.
6. Contract Package No. W-5 in Kutubdia: This package are consists of 8.715 km embankment and 0.75 km of Protective works. The major works were completed in April 2015 and only 2320 nos. of CC block fabrication works are remain and which is expected to finish by end of June, 2015.
7. WMIP –Component 2 Dhurong Irrigation Project: This Package consists of A) Breach closing and R/S of Embankment on the left & right bank of Dhurong Khal 2,370 km. B) Re-excavation of Mora Dhurong Khal = 3,920 km and C) Construction of 1-Vent ( 0.90m) dia pipe sluice near Dhurong

weir both of these work has been completed May,2014,and November, 2014. About 2.0 lacks of people has been benefitted by these schemes by doing cultivation in their land.

**Site work Progress Photograph  
Cox's Bazar (Teknaf ) Work Package –W-4A.**



Gunny bags are awaitng for final inspection & approval. Hard for dumping location.



Incompleted Slope Protection works in Sluices. Work Package -W-4A Teknaf yet to be done.



View of Dhurong Khal, Fatikchari ,Chittagong. Constructed Embankment of Dhurong Irrigation Project WMIP – Component -2

**2. WMIP-Site Visit Note  
Madaripur and Faridpur  
(May 18-19, 2015)**

A Bank team from Dhaka Office comprising of Md. Rafiqul Islam (Water Resources Engineer) and Md. Akhtar Zaman (Social Development Specialist) visited subproject areas in North Kalkini under Madaripur O&M Division on May 18 and Boro Manikdi and Shakpaldi FCDI Schemes in Faridpur O&M Division on May 19, 2015. The team had meetings with the representatives of the water management groups to understand their views and experience of participatory water management under the Water

Management Improvement Project (WMIP). Members of WMOs attended the Bank team amid of busy harvesting time. The Bank team was therefore very quick to take only a minimum time from the participating beneficiaries of the project. However, the WMGs were enthusiastic to narrate their experience, future plan and expectations from the participatory water management.

#### **North Kalkini FCDI Scheme**

Water Management Organizations (WMO) of North Kalkini FCDI Scheme were met by the Bank team with participation from the local BWDB Division Office in Madaripur. The meeting was held on May 18, 2015 where representatives from the 13 Water Management Groups (WMG) had attended.

**Water Management Organizations:** The water users of the North Kalkini FCDI Scheme has formed 13 Water Management Groups (WMG) with 200 to 250 members each and their apex body, Water Management Association (WMA) with representatives from the WMGs. Md. Jewel Bepari has been elected the President of the WMA with Md. Seraj Sarder in Secretary and Md. Siddik Sarder in Treasurer Positions. The WMGs were formed in November 2011. These groups have generated a combined savings of about BDT 250,000 and individually, the savings ranges from BDT 15,000 to BDT 30,000. Each of the WMGs has their own bank account and the savings have been kept in their bank accounts. The groups are in progress for registration with the Chief Water Management of the Bangladesh Water Development Board. The registration process is expected to be completed by mid June 2015.

The members of the WMGs and community people aspire in the direction those are largely consistent with the objectives of the Guidelines for Participatory Water Management (GPWM). They were involved in the project identification process and also during implementation. They believe that all future activities related to operation and maintenance of the scheme should be participatory in conjunction with the BWDB to benefit them more.

**Benefits and Role of WMOs:** The BWDB Division Office identifies the benefits of WMOs in operation and maintenance of the FCDI scheme. According to the Sectional Officer of the Madaripur O&M Division, members of WMOs can help constant surveillance and identify emergency measures for scheme operation. The division has identified one sluice gate in the scheme for immediate repair and they have prepared the design and estimate for repairing the sluice gate getting information from the WMO members. Subject to allocation from regular O&M budget, BWDB will repair the sluice this year.

**Beneficiary participation in civil works:** Two canals were re-excavated employing two LCS groups constituted by BWDB with assistance from the WMA. Total value of the LCS contracts was BDT 15 lakh and has been paid fully after completion of the works. The LCS groups have been formed with poor and destitute peoples from the community and about 30% of the members were destitute women. A total of 120 poor and destitute including 30 women were benefited from the LCS contracts.

**Baro Manikdi FCDI Scheme :** The Bank team visited Boro Manikdi FCDI Scheme on the morning of May 19, 2015. Representatives of the water management groups attended the meeting and exchanged their views and experience of participatory water management.

**Water Management Organizations:** The water users of the Boro Manikdi FCDI Scheme has 13 functional Water Management Groups (WMG) with 50 to 100 members each and their apex body, Water Management Association (WMA) with representatives from the WMGs. Fifteen WMGs were

initially formed but two have been inactive and are not responding. The WMGs were formed in September 2011 and all these groups have now been registered with the Chief Water Management of BWDB and have bank accounts. The WMGs have kept their existence while not all of them are generating savings. They have set monthly savings provision of Tk. 20 to Tk. 50. Paschim Aliabad WMG has 130 members and their total savings reported to be Tk. 22,000. Gadadhar Dangi WMG has 70 members but is not continuing savings. Beel Nalia WMG has 103 members and their total savings is Tk. 60,000 mostly invested among their members. Habili Doyarampur WMG has 80 members and they have total savings of Tk. 15,000 also mobilized as loans among the members. Gazgatha Radhanagar WMG has 100 members and they do not have any savings. Joyail Char Char Joyair WMG has 54 members and they have total savings of Tk 18,000 largely invested.

The WMGs were involved in the project identification process and also during implementation. Construction monitoring committee was formed with members from the WMA. The WMGs are expectant of external resources like inputs for income generating activities, unused local resources of BWDB and institutional support from the BWDB.

**Benefits from improved scheme under the project:** The beneficiaries under the scheme informed that the irrigation and drainage canals are now holding water and they are rotting jute for extraction of fiber in the canal waters. The re-excavated canals is not helping draining out excess water as well as getting water for irrigating their crop fields. Keeping the improved canals operational will benefit them for long where participatory canal depth management can be helpful.

**Beneficiary participation in civil works:** Poor and destitute people from the beneficiary area participated in three works contracts through LCS. Total contract value of these LCS contracts was BDT 1.5 million. The WMA is supposed to get 5% of the LCS contracts which will be transferred from the last bill of the LCS groups. The LCS groups have been formed with poor and destitute peoples from the community and about 30% of the members were destitute women.

### **Shakpaldi FCDI Scheme**

The Bank team visited Shakpaldi FCDI Scheme on the evening of May 19, 2015. Representatives of the water management groups attended the meeting and exchanged their views and experience of participatory water management.

**Water Management Organizations:** The water users of the Shakpaldi FCDI Scheme has 12 functional Water Management Groups (WMG) and their apex body, Water Management Association (WMA) with representatives from the WMGs. All the WMGs, except one, have now been registered with the Chief Water Management of BWDB and have bank accounts. Registration of the one pending WMGs will be completed by August 2015. Combined savings of the 12 WMGs is Tk 120,000 and the total amount is at their respective bank account. They do not have any immediate plan of investing the savings but looking for sizeable capital for a suitable investment.

**Potentials for sustainable WMGs:** The WMGs were involved in the project identification process and also during implementation. Construction monitoring committee was formed with members from the WMA. The WMGs are expecting that unused local resources (land and waterbody) of BWDB are leased out to them for investment and income generating activities. They identified Manikdi Khal and Mirkhali – Binodia Khal to be leased to them after necessary re-excavation for fish cultivation on

cooperative basis. They are also expecting external assistance for establishing an office building for the WMA.

It was disclosed in the meeting that one canal improved under WMIP has been leased out by the local administration without informing BWDB. This lease can be vacated and leased out to the WMGs, instead. The Executive Engineer was in the opinion that the issue can be discussed in the District Coordination Meeting to find a resolution.

**Beneficiary participation in civil works:** Poor and destitute people from the beneficiary area participated in three works contracts through LCS. Total contract value of these LCS contracts was BDT 1.5 million. About 30% of the members of LCS groups are destitute women.

#### **Conclusion:**

The WMOs should be the beneficiary level instruments for all developments for sustainable water management. The WMOs will survive and grow if they are kept in all development loops irrespective of funding sources.

### **3. Site visit Report-Shirajganj Hard point** (June 6, 2015)

1. **Introduction :** The purpose of this site visit is to observe the present river bank condition of the work done areas which was total strengthening areas length about 1934m and the major work was successfully completed by dumping the Hard rock and geobags .The present condition of the river bank in all work done areas are found in good condition.

#### **2. Detail Description of The Project:**

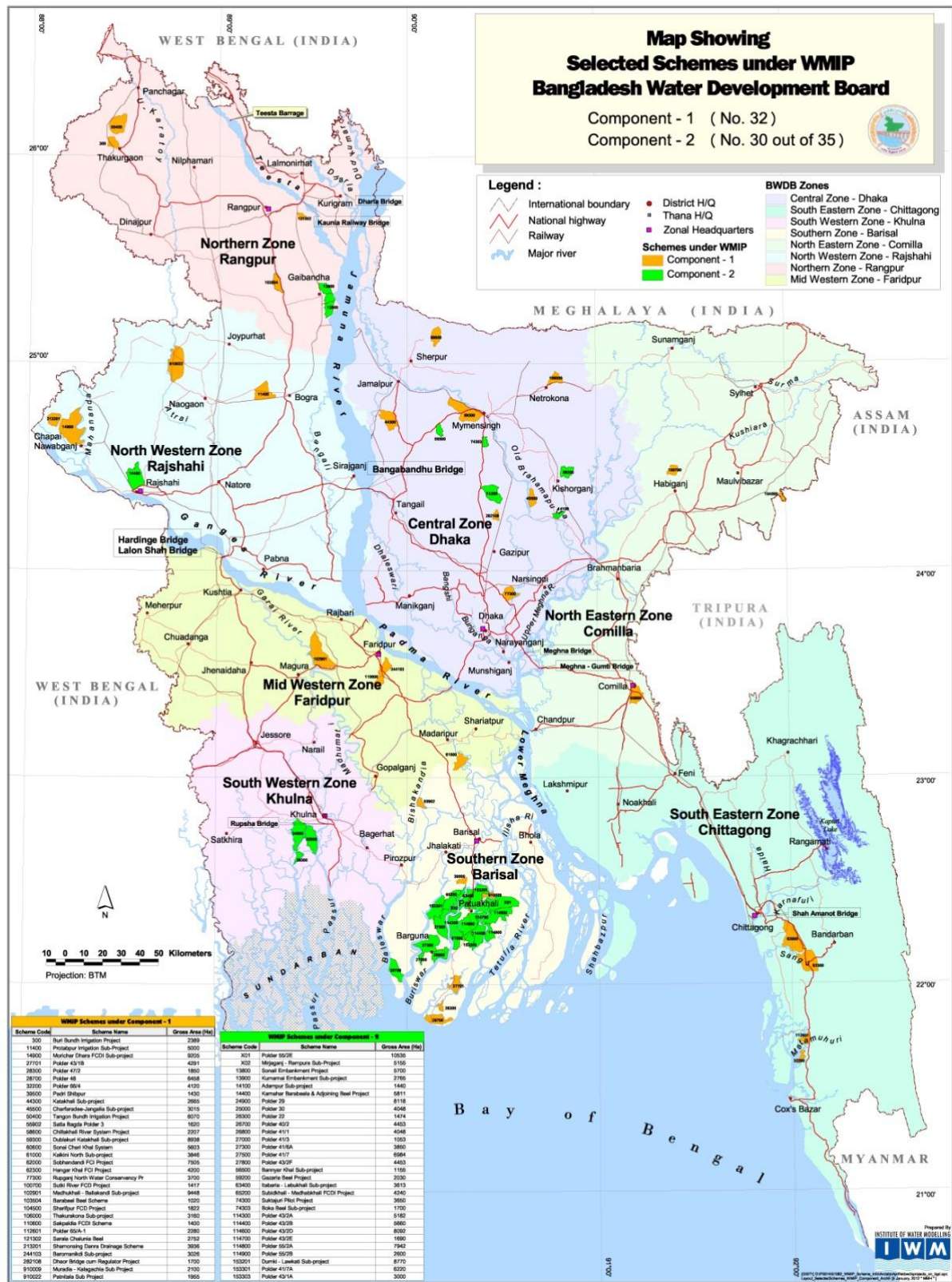
Package No.	Name of Contract	Actual date completion	Cumulative Progress as on 31-05-2015		
			Geo Bags (Procurement & Dumping) Nos.	Hard Rock Dumping m3	Over all Progress %
BWDB:WMIP-FDR/BRE-SPL/W-04	Shirajganj Hardpoint	April 30,2015	99,314.0 Progress = 100 %	1,12,154.00 Progress=98.90 %	99.20
Note: Hard Rock Procurement: About 1,23,450.00 m <sup>3</sup> of required Hard rock procurement has been finished but the actual quantity at site has not yet confirmed by Joint measurement team awaiting for joint measurement.					
<b>3. Comments: Work substantially completed and the actual volume of procured hard rock will be confirmed by the joint measurement team after proper stacking of all stock piles.</b>					





View of Procured Hard Rock at site. View of Sections Completed by Dumping of Hard rocks and Geobags.

## Location Map of Component 1 and 2 Schemes



## Location Map of FDR Schemes

