



Investing in rural people

PEOPLE'S REPUBLIC OF BANGLADESH

Haor Infrastructure and Livelihood Improvement Project/ Climate Adaptation and Livelihood Protection Sub-project (HILIP/CALIP)

Mid-Term Review Report

Main report and appendices

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Abbreviations and acronyms

ASAP	Adaptation for Smallholder Agriculture Programme
AWPB	Annual Work Plan and Budget
BUET	Bangladesh University of Engineering and Technology
BMD	Bangladesh Meteorological Department
BUG	Beel User Group
BWDB	Bangladesh Water Development Board
CALIP	Climate Adaptation and Livelihood Protection Project
CBRM	Community Resource-Based Management
CDF	Community Development Facilitators
CIG	Common Interest Group
DAE	Department of Agricultural Extension
DLS	Department of Livestock Services
DMEO	District Monitoring and Evaluation Officer
DMU	District management Unit
DOF	Department of Fishery
DPC	District Project Coordinator
DPD	Deputy Project Director
DPP	Development Project Proforma
FAPAD	Foreign Aided Projects Audit Department
FFWC	Flood Forecasting Warning Center
GAP	Gender Action Plan
GoB	Government of Bangladesh
HILIP	Haor Infrastructure and Livelihood Improvement Project
IFAD	International Fund for Agricultural Development
IWFM	Institute of Flood and Water Management
LCS	Labour Contracting Society
LGED	Local Government Engineering Department
MEK	M&E and Knowledge Management
MMC	Market Management Committee
MOL	Ministry of Land
MoU	Memorandum of Understanding
MTR	Mid-Term Review
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organisation
PACE	Promoting Agricultural Commercialization and Enterprises Project
PD	Project Director
PIM	Project Implementation Manual
PKSF	Palli Karma-Sahayak Foundation, Government established apex funding agency
PMU	Project Management Unit
PY	Project Year
RIMS	Results and Impact Management System
SCBRMP	Sunamganj Community Based Resource Management Project
SO	Social Organizer
STF	Spanish Trust Fund
ToR	Terms of Reference
UFMS	Uniform Financial Management System
UMU	Upazila Management Unit
UP	Union Parishad
UPC	Upazila Project Coordinator
XEN	Executive Engineer
WA	Withdrawal Application

People's Republic of Bangladesh
Haor Infrastructure and Livelihood Improvement Project (HILIP)/
Climate Adaptation and Livelihood Protection Sub-project (CALIP)

Mid-Term Review Mission: 13 – 27 May, 2016

A. Introduction¹

1. The USD 133 million Haor Infrastructure and Livelihood Improvement Project (HILIP) and Climate Adaptation and Livelihood Protection Sub-project (CALIP) is funded through an IFAD loan of USD 55 million, an IFAD grant of USD 1 million, a Spanish Trust Fund (STF) loan of USD 30 million, an ASAP grant of USD 15 million; and USD 32 million equivalent by the Government of Bangladesh.
2. The project goal of HILIP/CALIP aims to contribute to the reduction of poverty in the Haor Basin. The HILIP objective is to improve the living standards and reduce the vulnerability of the rural poor by promoting: (i) enhanced access to markets, livelihood opportunities and social services; (ii) enhanced village mobility, reduction in production losses and protection against extreme weather events; (iii) enhanced access to fishery resources and conservation of biodiversity; and (iv) enhanced production, diversification and marketing of crop and livestock products. The CALIP objective is to scale up a number of successful innovations piloted under IFAD's Sunamganj Community Resource Management Project (SCBRMP) and also to introduce a number of new innovations, which together, will help to construct a comprehensive response for building community and ecological resilience to climate change.
3. This 8 years project (July 2012 – September 2020) has six components, namely (i) Communication Infrastructure, (ii) Community Infrastructure, (iii) Community Resources Management, (iv) Livelihood Protection and (v) Capacity and Knowledge for Building Resilience (CALIP) and (vi) Project Management. The HILIP/CALIP project is implemented by LGED in 28 upazilas of five Haor basin districts, namely Kishoreganj, Netrokona, Sunamganj, Habiganj and Brahmanbaria.
4. This Mid-Term Review mission took place from 13 – 27 May 2016. The mission spent 6 of its effective 12 days in the field, visiting all 5 District offices. The team split into 4 teams, namely an infrastructure team, a livelihood team, a fisheries team and a financial/procurement team. The financial and procurement team physically visited 3 districts, Kishoreganj, Habiganj and Brahmanbaria over 4 days, and met with the other 2 district officials in the PMU office. As such, the mission effectively spent 22 man-days in the field.
5. The mission was able to visit representative samples of all the activities implemented by HILIP/CALIP and meet the main representatives of the target groups as well as of the local public and private partners. Meetings and consultations were held with PMU, and District offices and field staff, and discussions were held with the LCS and CIG members of the respective markets, as well as traders and locals in the surrounding areas. The supervision mission conducted a procurement and fiduciary and procurement review, and met with members of the Finance Units of all DMUs. Finally, the mission was accompanied by a World Fish representative for the whole period and was joined by an ERD representative for the first day.
6. An initial debriefing was held on the 24th May with the HILIP/CALIP team in Dhaka, and a briefing was held with the Chief Engineer of LGED on the 25th May. The final wrap up meeting to discuss the mission's findings and recommendations was held on 26th May 2016 at the Ministry of Local Government, Rural Development and Cooperatives, with participation from ERD and LGED.
7. The IFAD Mission would like to express its gratitude to the Government of Bangladesh, the HILIP/CALIP Project Management Unit, World Fish, project beneficiaries, district and upazilas representatives and all other project partners for their cooperation and support during the mission.

A. Overall Assessment of Project Implementation

8. **The overall implementation progress** is rated *moderately satisfactory (4)* as the cumulative progress is close to being on track, but the annual progress this year has fallen a bit behind, with annual achievements of 60% of physical targets and only 37% of financial targets. Cumulatively the

1 Mission composition: Mr Nicolas Syed, IFAD CPO and Mission Leader; Mrs Anta Sow, Financial Management Specialist; Mr Didarul Islam, Financial Management Specialist; Mr Shankar Kuty, IFAD Procurement Officer; Mrs Paxina Chileshe, IFAD Climate Change Specialist; Mr Shamsul Hoque, Infrastructure Specialist; Mr Khairul Islam, Value Chain Specialist; Mr Richard Abila, PTA Fisheries expert, and Ms Wanaporn Yangyuentham, M&E, KM and Gender Specialist.

project is still behind schedule with an overall physical achievement of 40.5% and financial achievement of only 28%. This is also due to the flash floods that have hampered construction due to early flooding and the complex and challenging Haor context, characterized by a region that is flooded half of the year.

9. As of today, Component 1 (communication infrastructure) stands at 50% physical achievement, which increases to over 60% for roads, while financial achievement stands at 46% according to project figures. Similarly, physical achievement for Component 2 is estimated to be more than 42% as of May 2016, and considering the on-going construction works, the overall physical progress rate should jump to 65% by June 2016.

10. In terms of Component 3, the implementation of activities is still slow, at an average of 32% physical completion, but the project has now transferred about 77% of all beels and show be able to transfer 91% before June 2016. The delay in the transfer of the beels is mainly due to the long and cumbersome process involved, and given that the activities could not start before the transfer of the beels this has slowed down implementation. BUGs presently have total membership of 11,083, representing 55% against the overall target. This shows some progress of additional 772 members since the last supervision mission. Women constitute about 25% of both BUGs and BMCs (Beel Management Committee), roughly the same as at the last supervision mission.

11. Component 4 has two phases – in first phase (ending in June 2016) the component covers 14 Upazilas of the targeted districts and in the second phase (will start immediately after the first phase) other 14 Upazilas of the same districts. However, some activities are behind schedule (against 1st phase targets) such as poultry/livestock (72%), fishery demonstration (78%), livelihood training (52%), and training of paravets (75%) among others. Consequently, it will be difficult to to accomplish all the planned activities of Phase 1 within June 2016. The project needs to develop a plan on how it is going to complete the unaccomplished tasks (if ultimately remained so) if it moves to new Upazilas in Phase 2 beyond June 2016.

12. The significant effort to expedite the implementation of CALIP activities is evident from the outputs in both the physical infrastructure under Component 2 and the training under Component 4. There is a high demand for village internal services (walkways, tube wells, drains and latrines), which currently exceeds the allocations during project design. This requires some reflection and establishing a balance between the demand and resource availability. The vocational and improved products' training has a mixed success rate. However any changes in courses and subject matter should be informed by the market analysis and job opportunities survey that is to be undertaken along with the trends analysis from the experience gained so far. In addition the strategies for engaging participants also need to be reviewed and aligned with ground realities.

13. As part of the midterm review, the HILIP-CALIP financial management system was evaluated with a view to verify compliance with IFAD fiduciary requirements and to assess the level of financial performance. The overall fiduciary risk of the project was evaluated as medium due to weaknesses observed in the accounting and financial management systems, the Finance Unit structure and organization, budgeting, treasury management and procurement. Failure to implement the related recommendations immediately could seriously hamper the project's financial performance and would lead to a decrease in the financial management ratings.

B. Outputs and Outcomes

14. **Component 1: Communication Infrastructure** is rated as *satisfactory* (5). The below table reveals that on average the component is on track in achieving the targets with an overall progress of approximately 50% on average as of April 2016, which rises to 56% when focusing only on the construction. However achievements for bridges and culverts is lagging behind the targets, this is largely due to construction of more submersible roads which do not require cross drainage structures as for embankment roads. Cumulative financial achievements stand at 46%.

15. The performance of this component is rated satisfactory as the project has completed more than 60% of the overall project target of Upazila and Union road construction, and further progress is anticipated during the remaining quarter of the year (April to Jun, 2016). The project intends to build 100 km of Upazila and 150 km of Union roads including submersible roads, 1750 (700 meters for Upazila and 1050 meters for Union roads) running meters of bridges and 50 landing ghats to enhance access to markets, livelihood opportunities and social services. Distribution of project component;

communications infrastructure including works undertaken during 2012--2016 with progress is provided.

Activity	Project Provision (DPP)	Target up to 2015-16	Cumulative Achievement (% upto April 2016), i.e., Physical Progress
Upazila Roads Improvement (km)	100	56	60
Union Roads (km)	150	78	62
Bridges and Culverts on Upazila Road (m)	700	260	32
Bridges and Culverts on Union Road (m)	1050	415	34
Bridge and Culverts in Sunamgonj district (m)	700	700	100
Boat Landing Ghats (number)	50	33	48

16. Implementation status of activities: According to the DPP, the project activities were supposed to be started from the financial year 2011-2012. However, the project became effective from July 18, 2012 and thereby project activities started from financial year 2012-2013. As per the PMU record, the project could not even been started with full swing before 2012-2013 as ADP was approved in July 2012 and first release of GOB fund was in March 2013. Project management was advised by the previous supervision missions to complete all works within the project period and make up for loss of time, especially advised to plan in such a way that at least 25% of project target is met per year. The mission is happy to note that the project management nearly complied with the suggestion and demonstrated significant improvement in project implementation progress with an overall calculated physical progress is more than 22% as of April 2016.

17. The previous mission has urged to complete all procedures and documentation early enough to start work right after monsoon. The mission has noted that in the Haor area, construction season (December-April) is very short due to the fact that the most of the road infrastructures are submersible in nature and are planned on old alignment where traffic movements severely obstructed the pace of work. Most importantly, the road work could not be constructed immediately after receding of water as advised by the previous SM, rather need to wait more than 1-2 months for drying of oversaturated subgrade (road bed) properly. This is an important prerequisite for building durable road infrastructure. Moreover, as the peak harvesting period (March-April) of Haor area matches with the construction period when both volume and magnitude of overloaded traffic increases tremendously and labour shortage become very acute, the pace of work reduces significantly. Besides, the construction works are being implemented by involving very unskilled LCS works who are by virtue very slow and time consuming labour. This year early flash flood in peak construction season also hammered the progress of work. Considering these inherent ground constraints of Haor area which are not favourable for rapid construction of work, the overall progress have so far been made is appeared to be satisfactory.

18. The detail physical progress of different communication infrastructure activities is presented below.

Activities	DPP Target	Approved till April 2016	Planned (2015-16)	Achieved (Annual)	% Achieved	Achieved (Cumulative)	% Appraisal till April '16
Upazila Roads Improvement (km)	100	90	12	16	133.3	60	60.0
Union Roads (km)	150	128	25	33	132.0	93	62.0
Bridges & Culvert on Upazila Road(m)	700	260	52	13	25.0	221	31.6
Bridges & Culvert on Union Road (m)	1050	506	100	40	40.0	355	33.8
Bridge & Culvert in Sunamgonj District(m)	700	700	0	0	0.0	700	100.0
Boat Landing Ghats (number)	50	33	5	7	140.0	24	48.0
Minor Road Earthwork	250	7.2	7	0	0.0	0	-

(km)							
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19. It is observed from the above table that cumulative progress of physical activities varies from 32% to 100% up to April 2016. The construction of Upazila and Union road, which is nearly 60% of the total work, has made good progress: a) Overall project target for Upazila road for three years was 100 km. So far, it has completed 60 km or 60%; and b) Overall project target for union road for three years was 150 km. The project has completed 93 km or 62%. That is, under this component the project has completed approximately 61% of overall target of road construction for three years. A significant progress is also anticipated during the coming years as nearly 88% work order has already been given approval. The progress of Bridge & Culvert, minor earthwork and boat landing platform is found to be slow. It is learned that the target of Bridge & Culvert, as set in the DPP, is made redundant by the construction of submersible roads. As such this item could be merged with other demanding item like construction of more roads. Observing the pace of works for the last three fiscal years, it is anticipated that the remaining works could be completed within the next one and half years, unless there is recurrence of even like flash food. Therefore, project management is recommended to update the target set out in AWPB including the merged activities and finalize actions to complete remaining of updated target works by December 2017. As cumulative physical progress of activities varies from 31% to 100% up to April 2016 (Table above), actions may also be explored to extend work schedule up to a reasonable part of following working season for the works, which could not be completed by April 2016 due to flash flood. Furthermore, subject to IFAD prior approval, the project is considering to construct an additional 5.5 km road (Ghagra GC to Austogram Road via Moiser Tila).

Agreed action	Responsibility	Agreed date
Take coordinated efforts to complete construction as much as possible before monsoon. Implementation period may be extended up to a reasonable part to following working season	PMU/DMU/UMU	As per actual construction progress
Revise AWPB rationally and based on previous three years performance; plan in such a way that the remaining works could be completed within the next one and half years	PMU	June 2016
Take initiative to control of heavily loaded trucks on Haor submersible roads in collaboration with district administration, Upazila and union Parishad as well as by exploring the possibility of installing access control gate.	PMU/DMU/UMU	Immediately
Take initiative to expedite construction of boat landing platform	PMU	Immediately
Merge Bridge & Culvert with other demanding item like construction of more roads	PMU	June 2016

20. **Component 2: Community Infrastructure** *The overall performance of this component is rated as moderately satisfactory (4)* considering that the project has achieved only 55% of the annual target during the current financial year, although further progress is anticipated during the remaining period of the fiscal year. The current cumulative physical achievement rate stands at 42%.

21. Infrastructures to be build and constructed under this component include; protection of 78 villages and 52 village markets, building of 350 km of village roads, construction of 1600 meters of bridges and culverts, development of 78 markets, and establishing 90 collection centres. Distribution of project community infrastructure including works undertaken during 2012-2013 2013-2014, 2014-2015 and 2015-2016 (current AWPB) with progress is provided:

Activity	Project Provision (DPP)	Target upto 2015-16	Cumulative Achievement (% up to Oct. 2015), i.e., Physical Progress
Community Road (km)	350	145	45.4
Bridges and culverts on community roads (m)	1600	464	22.1
Village Protection Works (No.)	74	46	56.4
Village Market (No.)	78	25	42.3
Market Collection Center	90	2	1.1
Market Protection Works (No.)	52	25	25.0
Irrigation infrastructure (No.)	26	5	0.0

Minor earthwork/road alignment (No.)	403	0	0.0
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22. Implementation status of activities: As of April 2016, the overall physical progress for community infrastructure development, particularly community road, village protection works and market development, which is 85% of the total component work, is estimated to be more than 48%. Considering the on-going construction works, the overall physical progress rate should jump to 65% by June 2016. It appears that the pace of market protection works and bridges and culverts on community roads is very slow i.e. 25.0% and 22.1% respectively, which needs to be expedited. Considering the difficulties associated with the availability of land for market protection works, community leader along with administrative efforts need to be engaged for speedy implementation of the component. Besides, as there is minimum need for bridges and culverts particularly with the submersible road, this component can be merged with other effective and transformational components. The progress of market collection center (MCC) is appears to be at a standstill, with only 1.1%. The reason behind this very slow implementation is that now-a-days MCC, which is considered as informal market for small farmers/producers, is gradually replacing by formal market and thereby its need is diminishing. As such, this component can also be gainfully merged with other more demanding components, like community road, village protection and internal facilities development. The detail physical progress of different communication infrastructure activities is presented below.

Activities	DPP Target	Approved till April 2016	Planned 2015-16	Achieved (Annual)	% Achieved	Achieved (Cumulative)	% Appraisal till Apr '16
Community Road (km)	350	228.0	50	52	104.0	159	45.4
Bridges & culvert on com. road(m)	1600	486	150	40	26.7	354	22.1
Village Protection Works (No.)	78	74.0	31	15	48.4	44	56.4
Village Market (No.)	78	46.0	12	12	100.0	33	42.3
Market Collection Center (MCC)	90	2.0	2	1	50.0	1	1.1
Market Protection Works (No.)	52	27.0	20	12	60.0	13	25.0
Irrigation infrastructure (No.)	26	6.0	5	0	0.0	0	0.0
Minor earthwork/rd alignment(No.)	403	0.0	0	0	0.0	0	0.0

23. Analysis of the above two tables show that up to April 2016, the cumulative physical progress of Community Road, Bridges & culvert on Community Road, Village Protection Works, Village Market, Market Collection Center (MCC) and Market Protection Works are 45%, 22%, 56%, 42%, 1% and 25% respectively of three years overall project target. Of the annual project target of 50 km Community Road, the project has completed 52 km or 104%. Similarly, other than Bridges & culvert all other items made impressive progress with respect to the planned targets of fiscal year 2015-16. After three years of work, so far only one market/community collection point (CCP) has been completed and so far two MCC have been targeted for implementation basically due to difficulties in finding any suitable site for selection, and the apparent limited demand from communities for such infrastructure. It is therefore recommended to take initiative to needfully merge this component with other implementable and highly demanding components. Since all the community infrastructures are not prone to submerge namely village mound & market protection works, community internal roads etc., there should be higher targets under this component as construction may continue even during wet season.

24. Quality Assessment: During field visit, assessment was made both on construction materials and finished works done by LCS and contractor. In general the quality of construction materials in most of the sites visited was found satisfactory though there is scope for further improvement. Overall assessment was made by critical observations on workmanship, existence of cracks/damage, smoothness of the finished road and market infrastructures. No visible cracks or settlement of market

related civil works (platform, column, toilet blocks, Boat landing ghats etc.) as well as internal CC/RCC roads were observed. The mission is generally satisfied with the quality of work done by LCS groups. It is appeared that the use of plate compactor equipment for the compaction of subgrade material and mixture machine for the production of concrete by the LCS group has ensured the required quality of road infrastructure. This is a very promising sign in consideration of remoteness of the intervention areas where the availability of proper construction equipment are usually difficult to ensure.

25. Moreover, it is good to learn that most of the actions raised by the last supervision mission have been complied by the PMU. Now, slump test for concreting work and in-situ CBR/FDD test for different pavement layers are being conducted in the field. PMU has changed the plinth height of shed and layout of toilet doors in opposite direction. As per the agreed actions, the PMU has already revised the retaining wall system for all the village mounds with height greater than 3m as well as the placement of reinforcement in RCC retaining structure. Improvement on Toilet Block Development, Internal Road Development and implementation of correct color Tube well are also found complying as per the previous agreed actions.

26. During the field visit, a few more issues were identified for further improvement and gave instructions to the quality assurance staffs for adhering the recommended good practices as has been appended at the end of this report (Appendix 11).

Agreed action	Responsibility	Agreed date
Take initiative to merge Bridges & culvert & CCP components with other highly demanding components	PMU	June 2016
RCC panel should be constructed without expansion gap and should be constructed following alternative panel casting arrangement and joints should be properly filled up with sealing compound	PMU	June 2016
Always provide 'patta' finishing aligning with the drainage direction and made with fine textured (not more than 2mm corrugation); alternatively bristle based surface finishing can be adopted.	PMU	June 2016
Ensure proper treatment of culvert-abutment-base by awarding the culvert work along with 10m of slope protection work.	PMU	June 2016

27. CALIP. As a whole there are lots of scope for improvement and many activities yet to be completed. The official launching of the CALIP at the end of January 2015 was followed by five district level start-up workshops held in February and March. The detail physical progress of different communication infrastructure activities is presented below. It is observed that as of April 2016, overall physical progress for CALIP components, particularly village protection infrastructure, village internal service, pilot testing of killa protection and road slope protection is estimated at 18% of the AWPB. The limited implementation progress is due to several factors such as difficulties in identifying potential sites for interventions, the complexity of negotiating with the villagers in finalizing the land demarcation, unavailability of Khas land for implementation of model village & killas etc.

Activities	Unit	DPP Target	Approved till April 2016	Planned (2015-16)	Achieved (Annual)	% Achieved	Achieved (Cumulative)	% Appraisal
Village Protection Infrastructure	No.	224	96	29	18	62.1	23	10.3
Village Internal Service	No.	168	117	48	35	72.9	38	22.6
Model Village develop	No.	5	1	1	0	0.0	0	0.0
Pilot Testing of beel bank protection	No.	50	0	15	0	0.0	0	0.0
Pilot Testing of Killa	No.	20	11	5	1	20.0	5	25.0

protection								
Pilot Testing of Upazila/ Union rd slope protection	km	50	22.56	8	2	25.0	7	14.0
Training Provided to LCS	No.	542	225	130	113	86.9	135	24.9

28. Implementation status of activities: Of the overall project target of 29 no. village protection infrastructures, the project has completed 18 nos. or 62% during the assessment year. Similarly till April 2016, the physical progress of village internal service, pilot testing of killa protection and road slope protection are 73%, 20% and 25% respectively for the same assessment period. It is also revealed that for the vital activities of this component 40% to 70% work orders have already been processed.

29. So far only one site has been identified for the model villages in Kishoregonj. The site selection is constrained by the availability of Khas land (government owned) and volumes of excavated material thus it would be prudent to target areas close to larger canals as planned by the PMU. None of the beel bank protection activities (15 planned for 2015/2016) have been initiated due to issues linked with the identification and demarcation of the beels as well as availability of excavated material. Considering the fact that the available period of beel/canal's dry bed for excavation is only 15-25 days and during that period there is a scarcity of labour due to peak harvesting season, to complete the excavation work within this short window of opportunity, the excavator based digging can be considered. This mechanized method has the potential to excavate even in wet bed and get the job done very quickly without lowering the profit margin of LCS groups. Moreover, to expedite the implementation of key activities, AWPB need to be revised rationally and planned in such a way that for the following two years at least 35% of project target is met per year.

30. Quality Assessment on: (a) *Civil Works:* During field visit assessment was made both on construction materials and finished works. In general the quality of construction materials in most of the sites visited was found good. Overall assessment was made by critical observations on workmanship, existence of cracks/damage, smoothness of the finished market infrastructures, riding quality of roadways. No visible cracks or settlement of slope protection related civil works (shed platform, column, toilet blocks, CC blocks etc.) as well internal CC/RCC roads were observed. The mission is generally satisfied with the quality of work done by LCS groups; and (b) *Vetiver Based Protection System:* During the field visits it was observed that at the majority of the implemented embankment slope protection as well as village mound protection works, instead of proper Vetiver sapling; the local varieties were planted. As per the Bio-Tech engineering specified measure as has been mentioned in the Project Implementation Manual (PIM), the vetiver grass should be a selected specific species which would be non-compete, non-evasive and most importantly which has the specified engineering properties. As such, in the beginning of the project (CALIP), this issue should be dealt with due importance.

Agreed actions	Responsibility	Agreed date
For successful implementation of vetiver grass based bio-technological engineering measure which is very new to this country, arrange training program by involving relevant experts of the country particularly for giving training of trainee (ToT).	PMU	Immediately
Before selecting the vetiver sapling for plantation; its species need to be verified by the relevant expert.	PMU	Immediately
Nursery should be supplied with the specified sapling for propagation.	PMU	Immediately
In consideration of constructability as well as profitability of LCS group, review the proposed recommended slope protection measure using hexagonal blocks under CALIP.	PMU	June 2016
Revise AWPB rationally and planned in such a way that for the following two years at least 35% of project target is met per yr.	PMU	June 2016
To expedite the beel bank protection activity matching with the short window of working period particularly in deep haor setting, as a piloting work the mechanized method of excavation can be explored	PMU	June 2016

31. The performance of **Component 3: Community Resources Management** is rated as *moderately satisfactory (4)*. Although the implementation of activities is still slow, good progress has been made since the last supervision mission of November 2015 with regards to the transfer of beels. Groups have been formed with generally good representation of women, but training has not kept the pace. The beels under the project have yielded good fish production and profits to the BUGs, yet with healthy and stable species diversity. However, due to the slow handover of beels to the project, overall physical achievement is only 32% and financial achievement is as low as 8%.

32. *Physical progress in beel transfer and beel management.* The component performance relies heavily on the expediency of beel transfer to BUGs, a process which is quite protracted and cumbersome. It takes a minimum of 40 weeks to conclude a transfer, and there is potential of interference from other interested parties who may slow down or block the process. Furthermore the identification and approval process involves multiple layers of administrators and offices who must physically handle files, sometimes there are delays and misplacement of vital documents. The Leasing Committee of Water Bodies, which is the final authority to approve the transfer of beels, meets only 2-3 times a year and therefore long waiting intervals may be experienced. These factors have had an impact on the speed of implementation of the component as most project activities can only start after the BUG gain control of the beel.

33. The Component has made significant progress on beel transfer to BUGs against the overall project design target. However, the status has not changed since the last supervision mission of November 2015. LGED has signed MOU with Ministry of Lands for the transfer of 293 beels out of 300 beels identified under SCBRMP in Sunamganj District. The remaining 7 beels were indicated as silted and unsuitable in the last supervision mission report and recommended that new beels be identified for replacement. Consequently 7 new beels have been identified and application made to the MOL for MoU with the Project. Of the 200 beels identified under HILIP, MOUs have been signed for the transfer of 90 beels, while the process has been initiated for another 117 beels. Overall, MOUs have been signed for a total of 383 beels, representing 76.6% of the target. *Securing beel leases is key to Component 3 progress, therefore more effort should be made to conclude the process which will pave way for development of beels and fishery management interventions. Furthermore, the lease period is critical to ensure sustainability of the BUG approach, and as such the project needs to ensure that the subsequent MoUs ensure at least a 3 year lease, if not more.*

Status of beels transfer

District	No. of beels as per DPP	MoU done	Remaining	Comments
Sunamganj	300	293	7	
Kishoreganj	95	24	71	
Habiganj	29	13	16	
Netrokona	38	20	18	
Brahmanbaria	38	33	5	
Total	500	383	117	The transfer processes for the 117 have started but are at different stages

34. Women participation in component 3 activities BUGs presently have total membership of 11,083, representing 55% against the overall target. This shows some progress of additional 772 members since the last supervision mission. Women constitute about 25% of both BUGs and BMCs (Beel Management Committee), roughly the same as at the last supervision mission. *While the target is met for women BUG membership, it is still below target for women membership in BMCs (target is 33%) and this needs to be addressed.* Women generally do not go out fishing but play an important role in post-harvest activities such as sorting/grading, processing/ value addition (drying, fermenting etc) and marketing fish.

35. Under Component 3, a total of 149 LCS groups (Local Contracting Society) have been formed against overall target of 1,530. Some progress has been made, with additional 46 LCS groups formed since the last supervision mission. A total of 98 LCS groups have been trained, indicating an increase by 32% since the last supervision mission, but still at only 6% of overall target. By individual

membership, there are 4,220 people in the LCS, with women comprising 37%. A total of 2,873 members of LCS have been trained, of which about 40% are women. LCS groups are mainly involved in re-excavation of beels and canals and the participation of women is therefore constrained especially by the low implementation of beel re-excavation activities. *More effort should be made to implement the re-excavation works which will ensure more women involvement besides the positive impacts on fish production.* Additional opportunities for women could be in fish culture in the small ponds/ditches within their homestead.

36. Physical progress of other component 3 activities. Project-supported activities under Component 3 include; Formation of BUGs and BMCs, training BUG and BMC members, demarcation of beel, establishment of fish sanctuaries, planting swamp trees and placing fish aggregation, beel excavation, canal (Khal) re-excavation, fishing and fish processing etc. At MTR the Project had re-excavated 27 km of canal, up from 19.5 at the last supervision mission. This represents 27% of the overall target of 100 Km of canal. With regard to beels, only 11 have so far been re-excavated, all of them from the old beels in Sunamganj District. There has been no progress on this activity since the last supervision mission and achievement remains at 3.6% of the 305 beels targeted for excavation. *Beel excavation need to be expedited due to their importance in improving fish productivity and employment opportunities they generate especially for women.*

37. The project has planted 16,000 swamp trees against an overall target of 213,500 trees, indicating that only 6% of the target has been achieved. However there has been an increase of 3,800 planted swamp trees since the last supervision mission. More attention needs to be given to this activity. In some communities swamp tree nurseries have been established by BUGs and mostly managed by women, while other BUGs buy from CIG tree nursery groups. *The MTR mission visited some of the swamp tree nurseries which need to sell their trees and the project should facilitate the transactions with BUGs.*

38. Under this component the project has trained 98 out of 1530 targeted LCS groups and 33 out of 100 targeted BUGs/BMCs. The training of LCS groups is focused on technical skills development for construction works, while for BMCs it is towards Fisheries Resources Management, Leadership Development, Group Management, Accounts and Book Keeping etc. In addition 6 information dissemination workshops have been conducted, but this is only 12% of a total of 50 such workshops targeted under the component. WorldFish disseminates information to BUGs on nutritional aspects (good nutrition for the first 1,000 days), pond culture of small fish and beel fishery management. The MTR mission observed that there is often a wide time lag between the formation of BUGs and provision of the initial training. Some of the BUGs visited had little idea on their purpose and functions, which can create conflicts in their roles and decision made. It would therefore be necessary to rethink the training arrangement and bring upfront some of the key lessons.

39. Fish production, income generation and socio-economic impacts. WorldFish is providing technical support to the project under Component 3 primarily for fish catch and biodiversity monitoring, household livelihood impact studies, fisheries productivity enhancement activities and dissemination of research findings. The institution has 3 coordinating staff and 30 Field Monitors working directly with the BUGs. Fish catch and biodiversity impact monitoring has been conducted in 45 water bodies, of which 32 are project-supported beels and 13 are control water bodies not under BUGs. There has been some progress since the last supervision mission when WorldFish covered 40 beels, of which 30 were project-supported and 10 were control beels. Furthermore by then only the old beels in Sunamganj District were covered but this has now expanded to three other districts except Habiganj District. The achievement of this activity is at 64% of 70 beels targeted, of which 55 will be project-supported beels and 15 control beels. The main reasons for lower performance is the delay in handing over beels and in formation of BUGs, both which are out of the control of WorldFish.

Beels under livelihood impact monitoring

District	Project beels	Control beels	Total
Sunamganj	20	10	7
Kishoreganj	5	1	6
Netrokona	4	1	5
Brahmanbaria	3	1	4

Total covered	32	13	45
Total target	55	15	70

40. Fish catch assessment includes monitoring both open fishing by individual fishers during the flooding season and bulk fishing organized by BUGs after the floods. The data has been checked, validated and preliminary analysis done by WorldFish. Fish production in the Project supported beels has been estimated at 731 Kg/ha. This indicates there has been a gradual increase in beel productivity, from 543 Kg/ha in 2012-2013 and 730 Kg/ha in 2014-2015. It may therefore suggest that the project interventions are having some positive impacts on fisheries productivity, however these figures need to be treated conservatively as much longer trends would be required to make firm conclusions. The main factors influencing fish production especially in the open season are; the type of water body (e.g. river, haor, beel), water expansion during monsoon, existing fish stock size and species diversity, establishment and protection of fish sanctuaries, effective control of destructive fishing gears, observing closed fishing season, controlling fishing access and fishing effort and number of full-time fishers around the water body.

41. The methodology applied by WorldFish for fish production and diversity monitoring is quite robust and scientifically sound. They include staff training, standard sampling procedures, data collection tools (questionnaires and templates), data collection method and data processing (checking, validation and analysis). WorldFish should continue monitoring fish production and diversity and consider to quickly extend to all the beels that are likely to be part of future data collection, even if they are not already under the control of the project as that data will be useful as baseline.

42. The livelihood monitoring activity conducted by WorldFish aims to assess the type, extent and causes of changes in livelihoods options among BUGs. WorldFish has developed the data collection tools and completed a BUG livelihood assessment baseline survey in 2015. The survey identifies the main sources of incomes for all categories of BUG members as; fishing (49%), agricultural labour (13%), non-agricultural labour (5%), fish trading/aquaculture (4%) and remittances (4%). On average food items roughly constitute 50% of all household expenditure, although this varies by district, location and household. The average landholding size is 0.48 ha (118.5 decimals), with 86% of households owning a homestead. About 14% of households have a ditch (which can potentially be used for small fish ponds) and 36% have cultivable land. About 42% of the households did not experience food shortage while 54% had shortage for 1-3 months and 4% for 4-6 months especially during monsoon rains. WorldFish should ensure follow-up biennial surveys with the same methodology and templates to have uninterrupted trend of the changes taking place in BUG livelihoods.

43. BUGs made a cumulative profit of 38,015,492 BDT from fish production, of which 28% were distributed to women. Income from fishing activities is influenced by several factors such as species type and market value, grading, consumer preferences and demand, market linkages and distance of market from beel, availability of transport etc. A sample of 10 BUGs visited by the MTR mission showed high average annual price variations ranging from 83 BTD per Kg in Hugaradubi Beel in Netrakona District at the lowest to 175 BDT per Kg in Kurachatol Beel in Sunamganj District. The data available for MTR mission is insufficient to assess the progress over time with regard to fish prices and incomes. More updated data should be made available in this respect for future supervision missions. Additionally LCS groups under component 3 worked for a total 100,577 person days in re-excavation of beel and canal, receiving a total of 30,089,693 BDT in wages, with about 30% going to women.

44. *Habitat restoration, fish inventory and biodiversity monitoring.* Data on fish catches over the past four years indicate relative stability in species diversity in the project supported beels. To reflect on the last supervision mission report, a total of 124 species of fish and prawn were recorded in 2014-2015, including both the open monsoon season (117 species recorded) and during the BUG organized fishing (110 species recorded). Comparatively 105 fish and prawn species were recorded in 2012-2013, including in open monsoon season (99 species recorded) and in BUG organized fishing (89 species recorded). The 20 main species have consistently contributed roughly 75-80% of total annual production during that period, with top two species, Puntius sophone (Jatputi) and Wallago attu (Boal) constituting more than 25% of the catch each year. The BUGs visited by MTR mission recorded on average 35 different species per beel (highest diversity in Abua Prokashito Nainda Nodi Beel in Sunamganj District with 59 species; lowest diversity in Kurachatol Beel in Sunamganj District with 23

species). All these BUGs had recorded either the same number or increased fish species diversity over the past two years. None indicated a decrease in species diversity. This should positively reflect on the project interventions (such as establishment of fish sanctuaries, removal of destructive fishing gears etc), as it indicates that BUGs are getting higher fish production and incomes while maintaining a healthy species diversity. WorldFish reports indicate that species diversity in the project supported beels is on average higher than in the control beels without project interventions.

45. A total of 15 fish sanctuaries have been established in project supported beels against a total target of 50. These act to preserve brood stocks and juvenile fish. In some areas bamboo sticks are placed to create micro-habitat for species like eel and cat fishes, while swamp trees are planted to reduce the impact of wind and strong waves and provide shelter for some fish. These interventions have created a conducive environment for some of the endangered species. At least three critically endangered species (*Puntius sarana*, *Clupisoma garua* and *Eutropiichthys vacha*) as well as 6 other potentially endangered species (*Silonia sinondia*, *Labeo bata*, *Chaca chaca*, *Microphis deocata*, *Crossocheilus lalius* and *Notopterus chitala*) have been observed in catches and are likely inhabitants of these established micro-habitats. In future the sanctuaries could serve an important role to provide quality broodstocks to hatcheries.

46. Sustainability of CBRM system. Sustainability of the CBRM system will mainly depend on the ability of BUGs to secure longer leases of the water bodies. Currently the groups get a lease for a maximum of three years, with most of the recently granted leases set to expire in 2019. BUGs will then have to register as primary co-operatives in order to stand a chance of securing new leases (in accordance with the Jalhamal Management Act 2009). An immediate impediment is that a BUG can only convert to a co-operative after three years existence. BUGs, with project assistance, have made significant investments towards beel development (e.g. excavation of beels and canals) and in resource management systems (creating sanctuaries, planting swamp trees etc.), all which have long-term payback periods and cannot be fully accounted for with short leases. The Project needs to initiate discourse with the relevant authorities, and to present a strong case for the BUGs to get priority consideration for longer leases in view of their long-term investments in beel development and the institutional capacity already built in the communities for management of water bodies. The lease periods should be sufficiently long, preferably at least 10 years.

47. WorldFish is a strategic partner in development of CBRM that comes with a wealth of background experience, expertise, local presence and institutional commitment to the process. They have been involved with IFAD in piloting the CBRM model under the SCBRMP and bring in a sense of institutional ownership. It may therefore be considered that WorldFish will have the interest to continue working with the BUGs and drive the CBRM process beyond HILIP/CALIP. The Project should ensure continued, and if possible increased, engagement with WorldFish as part of the sustainability strategy.

48. The Project, in liaison with relevant government ministries, is working towards a robust institutional arrangement that will accommodate the BUGs. The aim is to formalize and give a legal identity to the BUGs and hinge them in a broader and hierarchal institutional structure that can provide technical and financial support, beside representing their interests at higher levels. In the new structure all BUGs will register as primary co-operatives under Co-operative Act 2013. Primary Co-operatives will then form higher level Upazila Beel Management Committee/ Upazila Federation. At the next level will be the District Beel Management Committee (DBMC) formed by representatives from Upazila Federation. A Central Co-operative will be formed at the district level by representatives from the DBMC. Finally an Apex body is formed by representatives from the Central Co-operatives. The Apex body will provide legal and institutional support to the primary co-operatives and coordinate networking with the relevant institutions. While some work is still needed to refine the structures and functions in this set-up, and indeed whether all the mentioned bodies are relevant and sustainable, it is nonetheless a move in the right direction for the development of BUGs. The MTR observed that there is great interest and support by the BUG membership on this institutional setup and in one event many members turned up to democratically elect an Upazila Federation.

Below is a list of recommendations to improve the implementation of Component 3:

- i. Put more effort towards securing transfers for the remaining 46 BUG beel leases.
- ii. The Project to address the low women membership of BMCs
- iii. Put more effort to implement the beel re-excavation works which will generate income opportunities, besides the positive impacts on fish production.

- iv. The Project should facilitate the transactions between CIG tree nurseries with BUGs to expedite planting of swamp trees in the beels.
- v. WorldFish should continue monitoring fish production and diversity and consider to quickly extend to all the beels that are likely to be part of future data collection
- vi. WorldFish should ensure follow-up biennial surveys for livelihood assessment with the same methodology and templates to have uninterrupted trend of data.
- vii. Project to initiate discourse for the BUGs to get priority consideration for future leases in view of their long-term investments in beel development and the institutional capacity already built in the communities for management of water bodies.
- viii. The Project should review the training scheduling and bring upfront some of the key lessons, particularly with respect to Group Management and Leadership.

Agreed action	Responsibility	Agreed date
Secure the transfer of the remaining 46 beel leases	PMU/DMU/UMU	June 2017
Ensure minimum of 3 year lease for future MoUs	PMU	June 2017
Expedite khal and beel re-excavation works	DMU/UMU	Starting 2016-17 construction season
Expedite training of BMCs	DMU/UMU	Immediately

49. The project performance of Component 4: Livelihood Protection is rated as moderately satisfactory (4). The project has complied with most of the recommendations and the mission commends the efforts made by the staff with regards to the studies and analysis requested. The positive impact on the livelihoods of the beneficiaries has been well documented and is quite visible, nonetheless physical progress for this year has been a bit slow.

50. The objective of this component is to enhance production, diversification and marketing of crop and livestock products, by developing the capacity of smallholder producers to participate in selected market-based value chains as well as by establishing and supporting market-based institutions. The interventions revolve primarily around three areas, namely field crops and high-value horticulture, livestock and poultry, and pond fisheries. The component has two phases – in first phase (ending in June 2016) the component will cover 14 Upazilas of the targeted districts and in the second phase (will start immediately after the first phase) other 14 Upazilas of the same districts.

51. Physical progress: While the first phase is about to end in June 2016, activity progress in current fiscal year is slightly behind schedule. It is understood that the recent flash flood in the region had affected the progress of activities, as this financial year achievement rates are lower than previous years. In fact, the component achieved 54% of its annual targets, and 42% of its financial targets. Furthermore, many activities are behind schedule at cumulative level, such as poultry/livestock (72% of the 4 year target), fishery demonstration (78%), livelihood training (52%) and training of paravets (75%) among others. Consequently, it will be difficult to accomplish all the planned activities of Phase 1 within June 2016. The project needs to develop a plan on how it is going to complete the unaccomplished tasks (if ultimately remained so) if it moves to new Upazilas in Phase 2 beyond June 2016. As such, the mission recommends exploring the possibility of engaging lead farmers to provide some of the trainings, in order to allow the HILIP project staff to focus on the second phase.

52. Compliance with previous recommendations: The project has given its best efforts to comply with most of the recommendations made in the last supervision mission in November 2016. Mapping of most suitable field crops is accomplished, key bottlenecks to promote selected products have been identified, in selecting demonstration farmers cost-sharing model has been adopted. Revision of training curriculum for LCS members has been carried out, however the new addition reflects only the basic profit-loss analysis and not the cash-flow management aspects which is the key detrimental factor for micro enterprises to run sustainably. As such, the mission recommends to include **cash-flow management** modules. Key bottlenecks to promote selected products have been identified, nonetheless the project still needs to adopt a more market-led and sustainable approach to address them. Engagement of private sectors (retailer, local trader level) seems to be at very local level and hence, cannot be expected to bring about wider systemic change in the market system.

53. Field Observation of livelihood activities: The mission members visited different Upazilas in all 5 targeted districts (Netrokona, Kishorganj, Brahmanbaria, Habiganj and Sunamganj) of the project. While overall livelihood pattern of the targeted households was observed, specific project supported

livelihood activities such as broiler poultry farm, duck rearing, sheep rearing, duckling hatcheries, vegetables production, plant nurseries, monosex tilapia culture and few other off-farm activities (such as bamboo, wood, jute etc.) were also analyzed. In all the HILIP livelihood activities, a demonstration farm through one or several CIG (common interest group) members acted as the learning point for other members to follow and replicate.

54. As observed, the region has low cropping intensity (mostly single cropped and in few areas double cropped at best) due to the geographical disadvantage. It leaves limited job opportunity for the targeted people as rural Bangladesh is mostly dependent on agriculture. The main cropping season starts in October-November and continues till March-April. Afterwards, when the water level starts rising, many people live on fishing or meager livestock/poultry rearing, and/or migrate to other places or remain jobless. Therefore, targeted households' livelihood development support needs a comprehensive understanding of their income portfolio (or in other words, their seasonal vulnerability due to not having income earning options) and select subsectors/economic activities that provides them with earning options when there is no or little job opportunity. Current selection of subsectors can certainly contribute to income increase but not necessarily at the time of the year when the targeted households are in need of money. The off-farm activities under CALIP seems to substantially complement this year-round income generation.

55. In general, it was observed that February-March are the two months when most people in the region become jobless (before February there are fishing opportunity and after March the harvesting starts). Therefore, these two months can be very appropriate to promote off-farm based activities for the poor households. For example, just in March there will be a high demand of bamboo based products required for paddy harvesting and processing. Therefore, the project can improve its targeting approach by creating typology of households (in terms of productive asset base), their respective vulnerabilities and mapping year-round livelihood options and then promote suitable packages for different household types. This is possible even within the adopted subsectors (under both HILIP and CALIP) as there is a wide range of activities being promoted. The successful cases and models need to be adopted for promotion in phase 2.

56. One important observation was made regarding the poor financial management of the target people. LCS members are supposedly the poorest among the target people. Even those people were found to have multiple loans and the amount of loans is increasing every year. This shows access to loan/credit is not an issue, on the contrary households are getting increasingly indebted with bigger loans every year. When discussed in a large group of LCS, almost everyone within the participants of 25 plus raised their hands who have multiple loans and whose total outstanding is increasing every year. Therefore, it is strongly recommended that the technical trainings for all livelihood activities should include at least a small session on household financial management to enable them get out of 'debt trap' and move towards economic growth spiral.

57. The topography of the region is such that most of the crop fields go under water during rainy season. The single major crop, therefore, is rice in the low lying fields (which are most common) when water dries up during October-November. However, there are few pocket areas which are comparatively little high-land and can grow vegetables. HILIP targeted those areas and promoted vegetables cultivation. Backed by high demand of vegetables in the market, not only the targeted but also the surrounding farmers adopted vegetables cultivation as observed during the field mission. Besides, HILIP's strategy of mapping most potential vegetables (based on market demand, land suitability among others) rightly identified the varieties of vegetables to be promoted. Altogether, marketing seemed not to be a major problem for expansion and adoption by farmers further. Instead, two other challenges need attention to be addressed for the expansion of vegetables cultivation - scarcity of quality seeds and lack of irrigation facilities.

58. Since vegetables cultivation is not very common in the region, good quality seeds are difficult to find these areas. Reputed vegetables seed companies' presence through their sales-force at the field level is also very minimum. At best, they reach the district towns or to some extent the Upazila headquarters. Consequently, the seeds available in the rural areas are either local varieties (low yielding) or counterfeited or of poor quality. In most cases where HILIP promoted vegetables through demonstration, seeds were procured from far, the nearby major town. In few cases, a local person among the farmer community (who may not be a seed seller) was selected to buy seeds on their behalf from such far areas. A more sustainable and commercially viable option could have been to select one of the local seed sellers to get linked with the supply chain of reputed seed companies. Besides, the demonstration of vegetables production was preceded by a technical training conducted

by project staff as well as local government agricultural extension officer. Local seed/input sellers were not also always present in those training sessions. While the project also trained input retailers, they were not used to carry out the training for the farmers. A transactional relationship holds the potential of a sustainable business model.

59. A more commercially viable and sustainable option for the vegetables promotion would be as follows: the project identifies and select the most accepted seed retailer in the local bazaar, get him/her linked with reputed seed companies, train the seed retailer on vegetables cultivation (more precisely to update his knowledge), conduct the training for the farmers through the seed retailer (project staff and local government extension officer can still in the session to act as resource persons), let the seed retailer follow up the demonstration field. The expected outcomes are: seed retailer would put his best effort so the demonstration gives good results as more farmers will be interested to grow vegetables and buy seeds from him/her – a commercial incentive therefore; potential vegetables growers will see and get to know the seed retailer selling good quality seeds and helping farmers getting good results – again a commercial incentive at farmers' end. Altogether, this will lead to win-win solution. The HILIP project at the macro level can negotiate with a number of reputed seed companies to show the potential of the project region and encourage them to improve their distribution channel of seeds.

60. Irrigation is another major challenge for the expansion of the vegetables production. So far, HILIP has not taken any facilitative measures to address this. As observed, shallow tube well is not a viable option for farmers as the water table is very low – 500 to 600 feet. Most farmers who are growing vegetables currently are using surface water which dries up during the winter – the major vegetables growing period for most other parts of the country. Some farmers were seen to store water in nearby water reservoirs as much as they can and use them until they completely dry up. This is seemingly a key bottleneck for vegetables production expansion. Successful model (Dera, Sunamganj) shows that double-lift pumps (from first water source to a second water source and then second source to the land) can enable farmers to have better access to water and cultivate vegetables year round. This is costly as long pipelines are required. HILIP can consider identifying such commercial service providers who is willing to invest on/provide such irrigation service commercially in different areas. The project may also consider share the partial costs of the service provider to install such irrigation service.

61. Under livestock, the mission observed sheep, duck and broiler rearing in different districts in different CIG groups. In the sites visited, the revolving fund mechanism had not completed its first cycle, but it seemed that the small groups within the CIGs are well aware of their own cycle and closely following the group which is currently enjoying the demonstration grant.

62. The growth and adoption of sheep was found to be very encouraging. As opined by the beneficiaries, sheep are comparatively more disease resistant, however, they were seemed to have good connection with the local paravet the project developed. According the beneficiaries, the major advantage of rearing sheep against goats are: a) they are comparatively more disease resistant, b) they always remain together in a group and hence easier to trace and manage, c) The region has only limited time for crops and vegetables. Goats are sometimes troublesome as the tend to damage vegetables (in the field or homestead areas) while sheep can be taken together to the roadside even during flooding season where they stay together and find their foods. The economic return from sheep were also found to be very high. In one CIG group (before the revolving fund mechanism started) in Kalmakanda, Netrokona three members received 3 sheep each in late 2014. By the time of the field mission, each of them had kept 3-5 sheep while sold 3-7 sheep and distributed 1 sheep to another CIG member. The money they received selling the sheep were invested in buying cattle or boat and bearing educational costs for children. While the mission could not see any goat CIG, but as evidence shows and opined by the CIG members, sheep rearing is obviously a good option. The project may consider to focus on more resilient and evidence based livelihood opportunities instead of having a wider portfolio to look upon. In this case, sheep seems to be a more resilient livelihood option than goat is.

63. As observed during the field mission, duck is widely reared in the region considering the abundance of water (and therefore feed) for at least 6 months in a year. This reduces the burden of supplementary feeding of the ducks for the poor people. Consequently, many households were seen to rear ducks at least for a significant time of each year (the RIMS baseline did not consider ducks under poultry as a livelihood option and therefore showed very little percentage of poultry ownership).

64. Interestingly, two major types of duck rearing households were observed. First category (fewer in proportion) which considers duck rearing as their major occupation and holds a larger number of flock size – 150 to even 1000 plus. The second category (which is much larger in size) usually restricts the flock size within 30. The key determining factor for flock size is the availability of male members (adults or young boys) as during day time, the flock is required to take to the water bodies for natural feeding. Those households who do not have available male members (either have limited option or the male members work in other occupations) cannot increase their flock size even if they want. Taking care of ducks at home is, therefore, under women's domain while at day time it under men's domain. The project approach to promote commercial duck rearing seems very appropriate as few families were found to take this occupation from secondary to major livelihood option where male members of the family shifted from other occupations to duck rearing considering the economic returns. The project should continue promoting commercial duck rearing in future also.

65. The development of paravets and linkages with the CIG members is also another good step taken by the project. Marketing of duck eggs (and also meat towards end of the seasons when natural water dries up) seems not to be a problem as an informal supply chain has been developed considering the wide supply of eggs in the region. The project also helped develop intermediaries to collect the eggs from the beneficiaries and sell them to nearest wholesale market. It seems reasonable as the beneficiaries have freedom to sell to other egg collectors also if they want. The project also helped develop commercial duckling hatcheries (risk husk based technology) which has resulted in smooth supply of ducklings.

66. The mission observed a broiler chicken farm following revolving fund mechanism where a small group within the CIG was given a matching grant to start the operation. Broiler chicken rearing, an economic activity largely dominated by male is different and more intensive than backyard poultry as the latter is mostly managed by women in homestead areas. The project targeted women so that they can learn broiler rearing techniques through the demonstration managed by men. Each cycle of broiler completes in 28 days from day-old-chicks to mature chicken to be sold and therefore, intensive management is required unlike many other part-time based rural occupations. Since the birds also remain in a closed shed and close to each other, if not properly managed and diseases are controlled, there is high risk of losing the entire stock and capital. However, it was observed that though the demonstration farm has already started its first batch including vaccination, not all the demonstration group members (all women) were making frequent visits to the farm to learn the rearing techniques, let alone the remaining group members of the CIG. This raises question whether broiler chicken rearing is appropriate for women as they also have to maintain the household chores alongside any economic activity as per our rural norms and culture. Besides, broiler rearing is comparatively riskier than other economic activities unless intensive care and management is practiced and can result in large economic shock if disease outbreaks. HILIP should consider the women's workload and other issues while selecting livelihood options, particularly for women.

67. Progress with aquaculture training Component 4 gives much attention to skills development and technology transfer for economic production, and various modes of learning are employed. Most prominent are the demonstrations established for pond culture systems, including for monoculture and polyculture centred around tilapia. The project has established 131 demos out of a targeted total of 168 demos by all groups at MTR, indicating 78% achievement so far. The demos include improved production technologies through mono-sex tilapia culture and cage culture systems. To complement this investment, a total of 64 training by demonstration sessions have been conducted on pond aquaculture, representing 13% of the targeted 504 such training. These have been attended by 3,825 individuals, of which 47% are women. In addition 177 field days have been organized for aquaculture, attended by 3,800 farmers representing 49% of target. The Project has also organized 36 exchange visits across the districts for aquaculture learning. These have been attended by a total of 671 beneficiaries, of which 34% are women.

68. The MTR mission made field visits to some of the aquaculture demonstrations and observed that good aquaculture practices have been followed and the demos provide ideal forums for learning. Some of the notable best practices are; (i) ponds are properly constructed/ rehabilitated (ii) proper preparation of the pond before stocking, including draining, clearing of residual species, liming, application of manure etc. (iii) use of good quality water in aquaculture (iv) stocking quality fingerlings at appropriate fish densities (v) good pond management and feeding practices (vi) proper keeping of farm records and calculation of farm profitability. Additionally, farmers indicated that they have learned how to harvest and hygienically handle, sort/grade, process and present fish for the market. Most of

them also know the sources of aquaculture inputs, which is important to establish linkages with input suppliers.

69. Key issues. The main concern noted is the short cycles for investment and learning, which is inadequate especially for new farmers to acquire skills. The 6-month cycles are set with the main consideration being to produce fish in the shortest time possible and pass on the revolving seed fund to the next group. The farmers are expected to pay back the seed fund and re-invest the profits in the next cycle. Alternatively they can share the profit and each farmer proceeds to invest individually in their own fish ponds. Either way the farmers are expected to re-invest in aquaculture taking advantage of their newly acquired skills. As such, it is important the pond lease periods are for a minimum 12 months to accommodate three production cycles. The project should continue to monitor and assist the groups to re-invest in the same ponds for the full three cycles, after which members may opt to share the profits and invest separately in their individual ponds.

70. Fish feeding is the biggest cost component in aquaculture, constituting 50-60% of overall production costs. Interestingly depending on fish growth stage, 50-75% of feed is composed of grains such as rice bran. The feed costs can be reduced through various practices including (i) farmers formulating most of the feed locally with grains obtained from their own farms (ii) use of livestock manure to promote algae growth (iii) efficient feeding practices to avoid feed wastes. The project should pay attention to reducing this cost by training the farmers on formulation of fish feed locally making use of rice bran that is readily and cheaply available in the project area. There may still be need to supplement this with small amounts of commercial feed to ensure the fish gets all the nutrients for optimal growth. Polyculture demonstrations can be enhanced with the inclusion of the small fish, Mola, into the production system. Mola has been piloted in Bangladesh by WorldFish with IFAD support and the production model is well known. This can broaden the benefits from aquaculture with the larger fish targeting higher value markets while small fish principally addressing local nutrition needs. This should be seen together with a similar recommendation made under Component 3.

71. Sustainability issues. The revolving fund mechanism has already been introduced in pond fishery also. However, the fund is still to go to the second group of CIG. It was observed that the project linked the group to source fingerlings from appropriate source and provided them training on modern fish cultivation techniques. Individual investment beyond project contribution in the demonstration, role of men and women and also profit sharing was found uneven. Men claimed to invest more and provide more time and therefore a higher profit share. It was not clear though whether women were asked to accept the offer. In addition, the lease period of ponds seems improper – one year at best. It is clear that the initial investment to prepare the pond for cultivation is high and much of these costs will not be required in the second year. The project should consider this aspect and help the demonstration farmers (and also other members who receive training) to get lease of ponds for at least 2 years. In order to better utilize the technical skills and know-how available in the PMU, the mission, in consultation with the PMU, recommends to transfer the responsibility of the pond fishery activities to the PMU Fisheries expert (as opposed to the livelihood expert), with support from World Fish and government departments.

72. Small Indigenous Species. There is opportunity to introduce the culture of small fish, especially Mola (*Amblypharyngodon mola*), in polyculture systems in large ponds or potentially in the small homestead ponds and ditches owned by BUG members. This could serve to strengthen household nutrition security, besides providing additional incomes. The technology and production model for Mola has been piloted in Bangladesh by WorldFish in a previous IFAD-supported project and can be considered for scaling up under HILIP/CALIP. As a way forward WorldFish can develop a Concept Note for this activity to be considered by the Project, and if necessary seek the technical advice of the next supervision mission.

73. In line with the above recommendation on the transfer of responsibilities, the mission notes that for future projects, it may be more appropriate (in terms of technical services, monitoring and reporting) to channel support for pond aquaculture mostly, or entirely, under one component, rather than splitting into 2 components as is currently the case. This means that beel fishing and pond aquaculture interventions will be under one component and WorldFish increasingly involved in providing technical support for both CBRM and pond aquaculture activities.

Agreed action	Responsibility	Agreed date
1. Identify and enlist the successful products promoted and the associated business promotion models to replicate in phase 2	PMU/DMU/UMU	June 2016

2. Prepare household typology by year-round income portfolio to target households in a more comprehensive way to promote different subsectors/products that best suit them and address livelihood vulnerability – for phase 2.	PMU/DMU/UMU	August 2016
3. Collaborate with large private sector agri input company to extend their field presence in targeted areas through dealer/retailer network making an inclusive value chain development.	DMU/UMU	Start immediately
4. Develop a gender strategy that reflects and responds to the context – sector specific supports may target only men or women or both but should be based on contextual evidences of success.	PMU	July 2016
5. Develop a business model to address the irrigation problem for field crop in suitable areas.	PMU/DMU/UMU	July 2016
6. Develop and include a basic household financial management session in all technical sessions for sustainable economic growth for them.	PMU	August 2016
7. Include a basic cash-flow management session in the training curriculum for LCS members	PMU	August 2016
8. Project to continue to monitor and provide technical support to aquaculture CIGs for three production cycles	PMU/DMU/UMU	Immediately
9. Shift PMU oversight of fisheries activities in Component 4 to the Fisheries expert.	PMU	Immediately
10. WorldFish to develop a Concept Note for pond culture of small fish (Mola)	WorldFish	August 2016

Climate Adaptation and Livelihood Protection (CALIP)

74. The significant effort to expedite the implementation of CALIP activities is evident from the outputs in both the physical infrastructure under Component 2 and the training under Component 4. There is a high demand for village internal services (walkways, tube wells, drains and latrines), which currently exceeds the allocations during project design. This requires some reflection and establishing a balance between the demand and resource availability. The vocational and improved products' training has a mixed success rate. However any changes in courses and subject matter should be informed by the market analysis and job opportunities survey that is to be undertaken along with the trends analysis from the experience gained so far. Nine EOI's were received for the survey, which are currently being assessed. In addition the strategies for engaging participants also need to be reviewed and aligned with ground realities.

75. The flash floods experienced prior to the monsoon period this year will certainly adversely impact the progress being made on the infrastructure installation. Therefore some activities will be rolled-over into the next AWPB. Incidentally the flash floods provide an opportunity to begin the assessment of the performance of some initial infrastructure as well as the resilience level of the affected communities. The Baseline study is an important element for establishing the starting point of the resilience enhancement that is the aim of the CALIP. The floods also presented opportunities for further gap identification in the flash flood warning system and advances on the development of the FFEWS, which is progressing steadily. All these elements require effective monitoring, which is linked to studies and the Knowledge Management Plan. However, the Knowledge Management (KM) and Communication strategy that was recommended to be developed jointly with the M&E and KM officer is still pending. Several ToRs have been developed including for the baseline study and EOIs/RfPs published. Timely processing of these proposals will have to be ensured. More details on the progress under each component are provided below:

76. Activities under Component 2 - Community Infrastructure. Effective planning is critical in the development of the community infrastructure given the limited period for undertaking works in the Haor region. The occurrence of flash floods hampers the implementation of these activities as some locations are inundated earlier than anticipated and labour constraints are exacerbated by the prioritisation of early harvesting. The table below summarises the main achievements and plans.

Activities	Project Target	Unit	Approved to date	Planned (2015-16)	Achieved (Annual)	Achieved (Annual) %	Achieved (Cum.)	Achieved (Cum.) %
Village Protection Infrastructure	224	no	96	29	18	62	23	10
Village Internal Service	168	no	117	48	35	73	38	23
Model Village development	5	no	1	1	0	0	0	0
Beel bank protection	50	no	0	15	0	0	0	0
Killa protection	20	no	11	5	1	20	5	25
Upazila/ Union road slope protection	50	km	23	8	2	25	7	14
Training of LCS	542	no	225	130	113	87	135	25

77. The table above illustrates a significant volume of ongoing contracts based on the approvals to date. However the implementation is still behind schedule and expectations based on the remaining period. The implementation level should be at least 20% for each activity. The construction of village internal services, killa protection and LCS being trained is relatively on track to ensure timely completion within the project timeframe. The killa protection and road slope protection comprise the majority of activities that were hindered by the flash flood affecting the planting of the vetiver and laying of concrete blocks. As a strategy to regain the lost time that applies to the village protection infrastructure and road slope protection, is to precast the blocks during the rains and lay them during the dry season. The least progress is on model village development and beel bank protection where concerted effort is required to expedite implementation. The following sections present some reasons for the varied progress.

78. The model villages' development is yet to commence though sites have been identified in Kishoreganj (2014/2015) Netrakona and Habiganj (2015/2016). Sites for Brahmanbaria and Sunamganj are expected to be identified in 2016/2017. Three options have been provided (Type A, B and C), one of which has been further developed as a 3D miniature model. However the model requires readjustment to fit with Hoar conditions including common spaces, social amenities (areas for females, graveyards, health facility as required) and also the number of identified beneficiaries and allocated area. The site in Kishoreganj was prioritised for construction in 2015/2016 and the village protection has work started. Beneficiaries have already been selected using predetermined criteria that prioritised landless female headed households; 500 families were selected from 1,700 applicants. The main challenges after site identification are associated with planning of the site involving all relevant stakeholders and key decision makers. It is recommended that the design of the model be finalised as soon as possible.

79. Beel bank protection (demarcation and stabilisation using the swamp trees and vetiver) activities are yet to commence. Demarcation is an issue and in most cases there is no bank to protect. However, considering there is a constant need to excavate the beels, some stabilisation of the banks that can be identified would be beneficial including in providing additional breeding ground for the fish. The activities for the stabilisation of the banks need to be coordinated with Component 3 activities on beel demarcation and excavation. It is recommended that the implementation of these activities have joint responsibility particularly in demarcation of the beels and identification of those where bank stabilisation is feasible ensuring the fish migratory routes are not interfered with.

80. Killa protection activities are dependent on the sourcing of the construction material, which is not available in the required quantities from excavation of canals. In addition for remote areas, where killas are most needed, limitations on land for construction also exist. The option in cases where Government land is unavailable land would be to procure from private owners. This requires further consideration due to the fact that the killas would have to be handed over to the local authorities for management as public goods when the project phases out.

81. The sites visited mainly covered village protection infrastructure, village internal services and road slope protection. One area identified to improve on in some sites is the variety to vetiver that is being used in the village protection walls. In almost all the sites, the vetiver was sourced from the wild and not linked to the nursery establishment activities. Given the potential benefit to beneficiaries that

establish the vetiver nurseries, currently the activities are not being sequenced in a manner that allows their optimisation and also the promotion and use of the identified appropriate variety. Another aspect is the quality of the structures and workmanship are further elaborated under Component 2. The underlying issues relate to the coordination among the related components (2 and 4) for effective sequencing of activities and the consistent supervision of the works by the PMU and DMU teams. It is recommended that the sites identified for village protection infrastructure using RCC and vetiver grass be shared with teams for Component 4 to enable synergies with the nursery establishment. The vetiver use training to be conducted in June by BUET and also the follow up will aid the selection of the most appropriate varieties. The training is targeted at project staff in DMUs and UMUs including GoB staff engaged in project activities.

82. The further dissemination of the use of vetiver where feasible in infrastructure projects requires policy level engagement within LGED. The evidence base to illustrate the enhanced performance of the infrastructure that will be collected under CALIP will be invaluable in contributing to this dialogue. Therefore the monitoring of infrastructure performance as part of the knowledge management plan needs to be well planned. Only two of the four types of village protection are being trialled; toe wall and RCC with vetiver for deep Hoar and vetiver only in highlands. Other options, bamboo with chala grass and RCC post with chala grass have been disregarded as these have already been proved to not be suitable and would not be accepted by communities. The monitoring of infrastructure performance should also be supported by the mapping of sites that will be led by the LGED GIS Unit. The mapping exercise has been delayed by the lead resource person being overseas. It is anticipated it will be done next March/April.

83. In the training and supervision of the LCS' more attention should be paid to those that do not have experienced workmen such masons and information on good practices and recommendations from previous missions needs to be better disseminated. This would ensure improved quality and standardisation such as sufficient ventilation and lighting in the toilet facilities being constructed. Presently the LCS training is more skewed towards males for the development of skills with female members mainly getting more empowered through increased participation and awareness levels with limited skill development as they often perform the duties of carrying materials and collecting water for curing.

84. *Activities under Component 4 - Livelihood Protection.* The strategy to concurrently use Government institutions, private trainers and NGOs for the vocational training has been beneficial for expediting the implementation of the technical vocation and improved training activities. The achievements are summarised in the table below.

Activities	Project target	Planned (2015-16)	Achieved to date (April)	Achieved (Cumulative)	% Achieved (Cumulative)
Village forestry	114,240	13,220	4,840	4,840	4
Pond fishery	10,080	520	100	1,320	13
Advanced improved product training	8,400	860	500	500	6
Vocational training	11,000	260	137	227	2
Total	143,724	14,860	5,577	6,887	5

85. The group formation activities for the village forestry, pond fisheries and advanced improved training are progressing smoothly as a result of the experience gained in the implementation of HILIP. The UMU (SOs) report the challenges encountered thus far in the village forestry activities including the interest and current extent of murta production and demand for and scope to extend the hizol/koros being limited and the use of vetiver in slope protection is yet to be popularized. The pond fisheries' training has sufficient demand. Sixty eight percent of the village forestry beneficiaries are women, while for pond fisheries the figure is 48%.

86. Given the initial identified challenges, the village forestry activities need further efforts particularly in sourcing of participants and ensuring beneficiaries adopt the right practices in the establishment of nurseries. Awareness raising and sensitisation of communities on the benefits of village forestry activities that was recommended in the last mission should be effectively undertaken.

Providing free saplings may provide some incentives for the beneficiaries but this is not a sustainable approach. The vetiver nurseries should be sequenced with the infrastructure development in Component 2 to provide more income generation opportunities. It is recommended that the sequencing of vetiver nursery development and the village protection ensure that nurseries are established first.

87. The advanced improved products training shows the most popular courses are bamboo and jute products. The wood, clay and cane products trainings attract fewer participants due to limited time to gain required skill level, availability of cheaper alternative products such as plastics, limited market and lack of quality raw materials. The advanced improved training beneficiaries are mainly women (68%). The challenges being experienced in meeting the targets for some of the advanced improved products training could be overcome in several ways. One option is to adjust the time for the training of wood products to ensure the desired skill level is reached. Another option is to provide market linkages outside the immediate vicinity where feasible. Alternatively the trainings if proven to be constantly unpopular can be replaced by other training. The survey on market analysis and job opportunities will be vital to inform this decision.

88. The vocational training courses that are most popular are tailoring, house wiring, motor cycle repairing, diesel engine and pump repairing. The tiles, mosaic, cook and carpentry courses have low demand. Twenty eight percent of the beneficiaries are female. Thus far three MoAs have been signed with Chhatak in Sunamganj, Sylhet and Bhairab in Kishoreganj. The institutions will offer tailoring, mobile phone and computer repair/ diesel engine pump repair and refrigerator repairing, welding, house wiring, plumbing, carpentry, motor cycle repairing and driving cum auto mechanic course. Two additional MoAs will be signed in addition to the MoUs Government Departments. The challenges identified thus far are the limited scope for employment after acquiring the skills and low interest in some courses. The CDFs that are undertaking the recruitment in some cases require further training and skill development. It is recommended that periodic training sessions be organised for the CDFs and for them to be provided for them to share experiences and some skill transfer between more successful facilitators and those that are less successful. Incentives such as providing daily allowances would unnecessarily increase the cost of the training. However full travel costs should be covered and decent lodging as well as food ensured for all participants.

89. The training sessions visited included jute products, tailoring and mobile phone and computer repair. The advanced improved products training was being provided by private individuals while the latter was provided at the Chhatak Technical School and College. The mission also held discussions with beneficiaries of bamboo and jute products, tailoring and house wiring trainings. The training participants were well targeted and in some cases had suffered from boro crop loss of up to 75% due to the flash floods. Therefore they expressed interest in diversifying their income sources to ensure household food security. Most female beneficiaries of the training previously had no income sources and thus were looking forward to contributing to their household earnings and supporting family members including meeting the education expenses for their children. The participants for the advanced training were a mixture of those with experience and novices thus for the latter the number of days for the training seemed insufficient.

90. Most of the beneficiaries and participants in the vocational trainings reiterated the challenges in obtaining start-up capital for enterprises, even if at a household level, to apply their skills. Those that have obtained the start-up capital appreciated the skills developed and were confident of continuing to support their households. The options in response to the challenge of start-up capital include providing starter kits (as indicated in the last mission) sourcing job placements for the beneficiaries (which is a condition for the trainers), providing linkages to MFIs (this could be done for groups) or using a matching grant system where the project contributes a specified amount once the participants have raised their share or alternatively, providing revolving funds for selected groups. It is recommended that PMU conducts an assessment to develop some criteria to provide assistance to different participants based on needs.

91. The additional courses already identified for women include embroidery (Nokshi Katha), para vet, nursing (health care assistants), block batik, candle making, packaging, confectionary and pickle (achar) making and bottling. These courses are yet to be introduced within the training and require sourcing of trainers (apart from the para vet training that is already included under HILIP) as well as establishing the required days for the necessary skill development. It is recommended that the identification of trainers commence as soon as possible and these courses also be included in the market analysis and job opportunities surveys.

92. Activities under Component 5 - Capacity and knowledge for building resilience rated as Satisfactory (5). The activities for the Flash Flood Early Warning System (FFEWS) are progressing steadily. The contract between the Flood Forecasting Warning Center (FFWC) and Institute of Water Modelling (IWM) was signed on 01 March 2016. The three partner institutions (Bangladesh Meteorological Department (BMD)), the Institute of Flood and Water Management (IWFM) in BUET and FFWC in Bangladesh Water Development Board hold regular meetings to discuss progress and enhance their collaboration. The meetings are coordinated by the PMU (CCS and include the PD). In the last meeting, the partners agreed to establish a danger level for the pre-monsoon period.

93. Since the last supervision IWFM has continued with the collection of data (from BWDB and BMD), completed a social survey and a technical survey and conducted a stakeholder workshop in Sunamganj (15 January 2016). Other ongoing activities include the calibration and validation of WRF model for the Hoar area and the development of the rainfall- runoff model and ID hydrodynamic model (2015-19). BMD activities focused on the use of the WRF model in simulating heavy rainfall events for the Hoar region. The model successfully captured the heavy rainfall events simulated using the US National Center for Environmental predictions. IWM will support BWDB undertake a survey to revisit identified locations to install the equipment for the additional 17 stations and recommend any required changes as some are downstream.

94. The lack of procurement of the fast computers continues to hinder some of the FFEWS activities. The bids received following the re-launch with revised specification are relatively high compared to the available budget. Even with the revised specifications only IBM manufactured computers can meet these requirements. LGED procurement committee (this includes the PD) are yet to do an assessment of the bids. It is recommended that this assessment be done as quickly as possible and the report submitted to IFAD for no objection and consideration of the higher prices offered. The bid assessment should also contain a current market price spot check to be done by LGED as standard practice.

95. The challenges that require further attention in the development of the FFEWS include the acquisition of the cross boundary data (as the flash floods originate from India), the probabilistic modelling and the sequencing of the early warning to reach communities in a timely manner. This requires policy level engagement to ensure access to the data and the appropriate authorities having reliable information for the timely early warning. Improving the yields of early maturing rice varieties will also contribute to reducing losses as a result of flash floods.

96. The EOIs for Climate Change forecasting and participatory scenario development, agriculture and fisheries sector exposure to climate change, environmental impacts of large scale pond fisheries and value chain and ecological analysis for bamboo commercialisation have been published. All have a closing date of 29 May 2016. The opening of proposals will be done by PMU (PD, SAE and DPD) and thereafter referred to the LGED procurement committee (headed by Additional Chief Engineer) for the shortlisting and subsequent RFP. For renewable energy scoping study, 14 bids were received, however they are yet to be assessed (expected within month of June). The evaluation of the proposals will require close follow-up to minimise delays.

97. The establishment of the Climate Change Unit within LGED has had some limited traction. An environment and climate change committee already exists in LGED and in April 2015 it was decided that an environment and climate change unit will be established in the Department. ToRs for the Unit are to be developed and presented in next meeting (date not fixed yet) and then submitted to Chief Engineer. The PMU hope to become a member of the committee and thereafter contribute to ToRs. Given this ambition, the PMU should be more proactive to ensure their membership of the committee as soon as possible and make a valuable contribution based on lessons learnt from early CALIP implementation and experience with different rural infrastructure.

98. The knowledge management strategy is yet to be developed, which entails liaising with the Civil Engineering department at BUET to establish a monitoring schedule for the performance of the village protection infrastructure. The current knowledge management system document does not make any reference to activities for monitoring infrastructure development. Given the limited progress, it is recommended that the Climate Change Specialist take the lead in liaising with BUET to develop a plan for the monitoring with the support of the QCE and the M&E and KM specialist.

99. The five workshops focusing on gender and climate change that were planned for 2015-2016 have not been undertaken due to scheduling challenges as the gender expert just completed the HILIP gender mainstreaming that included two workshops. Thus those for CALIP will be held in the 2016/2017 with the first two being envisaged in January/February 2017. It is recommended that the

Gender Specialist organise these workshops and enlist resource persons with the necessary expertise to support the delivery. In addition the the resource persons for the workshop should also provide a knowledge product on gender and climate change in the Haor region.

100. Monitoring and Evaluation. CALIP indicators were included in the RIMS report for December 2015. However some discrepancies in the data are evident potentially due to methods applied in the collection. It is recommended that M&E and KM officer pays further attention to establishing standard data collection methods and the verification of the data provided by the district teams.

101. ASAP reporting also requires specific indicators to be provided by CALIP in a format that was shared with the PMU in April. These contribute to the annual report provided to ASAP Contact group (that includes existing and potential donors). The indicators are aggregated over the entire ASAP portfolio and thus accuracy should be ensured as much as possible.

102. Specific effort is also required to incorporate the CALIP activities in the KM and communication strategy and plan to enable adequate planning for the workshops and development of the knowledge products as well as their dissemination. Below is a summary of the main recommendations for the CALIP activities:

Agreed action	Responsibility	Agreed date
Ensure closer collaboration between Components 2 (village protection infrastructure and beel bank protection), 3 (beel demarcation) and 4 (vetiver nurseries establishment) to maximize synergies in the benefits for targeted communities.	PMU	July 2016
Develop a criteria for selection of participants that qualify for support to raise start-up capital or receive start-up kits	PMU/DMU/UMU	July 2016
Identify trainers for the additional courses aimed at benefiting more women and establish training duration	PMU	October 2016
Develop the KM strategy and plan for the effective monitoring of infrastructure performance incorporating the mapping of sites	PMU	November 2016
Identify resource person and conduct climate change and gender workshops including a knowledge product	PMU	May 2017
Organize periodic training and experience sharing sessions for the CDFs	PMU/DMU	December 2016
Ensure consistency in measuring and reporting of results and verify inputs from District teams	PMU	Ongoing

C. Project Implementation Progress

103. Project management performance is rated as *moderately satisfactory* (4). The project management structure and PMU have been established in line with the Financing Agreement and Project Design Report. The lead project agency LGED, has established the PMU at its Headquarters, District Management Units (DMUs) in the five project districts and Upazila Management Units (UMUs). Nonetheless this MTR mission has observed a number of management issues, relating mainly to weaknesses in reporting, planning, procurement and financial management. The following sections will provide more detail on these issues, which can be loosely summarized as follows.

104. Field level offices generate reliable output and outcome data, which are used by each separate component for reporting purposes, but the consolidation and analysis of these reports at PMU level is weak and thus undermining the utility of the reports. In terms of planning, the mission was expecting to receive a draft AWPB and a proposal for reallocation to be studied and validated by the MTR, however these documents were not ready at the time of writing. Similarly projections of implementation and financial progress could not be provided. The mission strongly recommends the project to submit a proposal for budget reallocation and target revision as soon as possible, and submit for IFAD validation.

105. Other management issues relate to the procurement of consulting services, particularly for studies to be commissioned under CALIP. In fact, the ToRs for a range of studies had been prepared and cleared by IFAD in early 2016 but many of these studies have yet to start. Finally, the fiduciary review of the project has highlighted that the PMU finance unit still is not fully familiar with the procedures manual, while TOMPRO is not operational.

106. In this context the MTR strongly recommends that the PMU undertake a review and assessment of roles, responsibilities, work plans and work loads of each staff in order to ensure a more streamlined and effective management of the project and address all the issues raised.

107. Additionally, the staff contracts regarding the position of PPIS, QCE, LTS, M&E and KM, CRMS and Gender Advisor need to be revised to ensure effectively delivery throughout the project period. However, the budget reallocation is subject to IFAD approval.

Agreed action	Responsibility	Agreed date
Submit a proposal for budget reallocation and target revision as soon as possible, and submit for IFAD validation.	PMU	June 2016
Undertake a review and assessment of roles, responsibilities, work plans and work loads of each staff	PMU	June 2016

108. Monitoring and Evaluation is rated as *moderately satisfactory* (4). The project has decentralized M&E by putting in place a bottom-up reporting system from union (CDF), Upazila (SO, UPC, concerned coordinators), district levels (DMEO, DPC) to PMU level (MEK Specialist). At PMU, the overall M&E work is supervised by the MEK specialist with the support of the Planning and Implementation Specialist. The mission had discussion with district monitoring staff and Upazila project coordinators to ensure the quality of data reporting and regular field visits.

109. The M&E unit keeps track of the project outreach and conducts monthly, quarterly and annual progress reports that contain the physical progress of all components and activities; nonetheless the mission has noted a deterioration in the quality and timeliness of the reports. In fact, while each separate component produces reliable output and outcome data, and also develops good progress and other reports, the consolidation and analysis at PMU M&E unit is weak and has weakened with time.

110. In terms of timeliness, the quarterly narrative progress report of March 2016 and Monthly report dated of April 2016 were submitted to IFAD upon the mission arrival. With regards to quality, the current system heavily focuses on quantitative data collection and compilation, with no analysis and description of the data. The project could improve the follow-up of progresses towards intended results (continuous process) and data analysis of the changes in livelihoods in order to identify success factors, outcomes of different interventions and bottlenecks if any. It is imperative that the PMU greatly improves the quality of the consolidated reports in order to ensure appropriate monitoring and evaluation which can effectively guide implementation.

111. *Baseline and MTR Outcome survey and RIMS indicators:* HILIP's RIMS Baseline Survey was carried out by a local consulting firm, Mitra & Associates dated in 2013 in order to assess the key economic and social status of 1,200 sample households from 5 project districts.

112. The HILIP midterm outcome survey and CALIP baseline study were expected to be completed prior to the MTR mission. They are still under the recruitment process of a consulting firm(s) although the drafts ToRs have been developed since February 2016. It is important that the project closely supervises the preparation of both surveys in order to ensure quality of reporting as well as the inclusion of all verifiable indicators of the project logframe and RIMS indicators. In addition, HILIP's outcome study should include questions on the changes of each grassroots institution livelihood as well as the outcome of roads, markets, beels, technology adoption and LCS's profit investment with an emphasis on women beneficiaries.

113. HILIP and CALIP 2015 RIMS first level results have been reported to IFAD, and HILIP RIMS second level indicators have been selected. The mission, however, pointed out that they are activity level reporting, and fall short of meeting IFAD RIMS standard. The mission has requested the M&E unit to revise and select relevant indicators in accordance with IFAD RIMS guideline handbook. Once the midterm outcome study is conducted, the project may consider carry out Annual Outcome survey (AOS) from 2017 onwards to monitor the progress of logframe indicators as well as to capture the social and economic changes in livelihoods of LCS, BUG, CIG, farm and non-farm IGA trainees and outcomes of infrastructures supported by the project.

Agreed action	Responsibility	Agreed date
Finalize recruitment of consulting firm for HILIP MTR outcome survey and CALIP baseline study	PMU/M&E unit	June 2016
Share the first draft of HILIP MTR outcome survey and CALIP baseline study prior to their finalization	PMU/M&E unit	August 2016
Mapping of project interventions	PMU/M&E unit	Immediate
Improve M&E action plan (specific activities and timeframe)	PMU/M&E unit	Immediate
Revise the RIM 1 st and 2 nd level indicators	PMU/M&E unit	Immediate

Conduct household Annual Outcome Survey as a practice	PMU/M&E unit	From 2017 and yearly
Make short video presentation on key project performance and successful cases	PMU/M&E unit/Gender	September 2016
Regularly update IFADAsia to make project documents accessible.	PMU/M&E unit	Immediate

114. Coherence between AWPB & implementation is rated as *satisfactory* (5). The average annual rate of AWPB implementation since inception is approximately 78%, although the implementation of the current AWPB stands at 37% as of April 2016, i.e. with another 2 months until the end of the fiscal year.

115. Gender focus is rated as *highly satisfactory* (6). HILIP/CALIP's gender mainstreaming strategy through different grassroots institutions is highly relevant and effective. It has contributed to the change of women's position in the households. Women can earn their own cash income, access natural resources and involve in household financial decision making which ultimately leads to gender quality. Furthermore, the mission appreciated their active and meaningful participation in the field, and observed a gender division of labor both at household and institution levels.

116. As of April 2016, 43% of LCS members are women, against a 50% target rate. Women also seize 19% of MMC position. In terms of short term employment, HILIP has already generated 431,302 person-days work paid which has provided a total wage for LCS of Tk. 208,984,456 (Tk. 250-300 daily) for the 7,502 women and 9,873 men supported. The profit amount of Tk. 4,121,225 has been distributed to LCS women, and it becomes a significant capital for household expenses, child education and IGA such as rearing of cow/sheep/poultry, tailoring, fish culture, plant nursery, vegetable cultivation and tea stall. The mission visited a market where a separate Women Market Section with 4 shops is being build. During the discussion, female LCS members and indigenous women showed their interest to utilize WMS for setting a tailoring shop and selling their agricultural products.

117. Women constitutes 26% (2,490 out of 9,664) of BUG members and 25% (578 out of 2,358) of BMC. To date, HILIP has distributed Tk. 10,512,521 of profit to female members, and its profit share is equally distributed between women and men. In contrast to BUG, the field visit exposed a system where CIG profit distribution of fish pond is not always equally distributed, male members capture 2/3 of the profit as they claimed that catching fishes is a labour intensive job done by men, and that they have invested more capital than women. However, this was agreed upon by female members since the group has been established.

118. As of today, almost 30,000 women have received training under HILIP and 3,690 under CALIP. Some trainings target women exclusively such as innovative employment for business creation training for former LCS and vocational training on tailoring. 64% of demonstration done by female CIG members, and it is proved that a number of CIG women have become successful after receiving support from the project in terms of capital and technical knowledge. In occasion of the International Women's Day 2016, LGED arranged a prize giving ceremony for 9 best self-reliant women. One of them was a young woman who transforms her disability into ability by her dedicated effort after receiving CALIP's training on tailoring and dress making. Empowering women and girl through trainings helps them diversify income sources. Following discussions with a number of beneficiaries, handicraft production from bamboo and jute as well as tailoring seem to be preferable choices due to high market demand, availability of input and household free time utilization. However, the mission underlined the importance of linkages of market and local financial services.

119. Gender Training Manual and Gender Action Plan (GAP) have been developed and closely followed up by the gender advisor. The project will need to ensure that the upcoming midterm outcome study will include gender focus and may consider to organize workshop on gender-sensitive climate workshops in 5 districts.

120. Poverty focus is rated as *highly satisfactory* (6). Haor Basin is one of the poorest regions of Bangladesh. In general, socio-economic conditions in the project areas appear to be very poor and extremely vulnerable to adverse weather conditions, with most households were facing food insecure with at least facing one hungry season in a year and suffering from extensive annual flooding. The prevalence of malnutrition was also widespread among children. It is important to note that all direct beneficiaries of the project (LCS, BUG and CIG members) are poor, LCS women are in particular the poorest of the poor due to a number of factors that include: lack of access to natural resources; lack of access to services; seasonal isolation; and extreme biophysical constraints to production of crop, livestock, poultry etc.

121. Effectiveness of targeting approach is rated as *satisfactory* (5). In five districts of the Haor basin: Netrokona, Habiganj, Brahmanbaria, Kishorganj and Sunamganj, the target group includes poor rural people; smallholder farming households; small fishing households; women from poor

households; and small traders and intermediaries in local markets. The project has been implementing different activities to grassroots institutions based on their needs and capacities e.g. giving employment opportunity through infrastructure work to LCSs, building BUGs' capacity and expand access to natural resources and offering various trainings to CIGs. The project could also link different group members who have common demand. Improved infrastructure will also indirectly benefit communities, as it would reduce transportation time and costs while increasing the volume of marketed goods. The project is also working with 125 indigenous members of ethnic minorities (Garos community in Netrokona), of which 95 are women.

122. Knowledge Management, Innovation and Learning are rated as *satisfactory (5)*. The project is proactive on knowledge and experience dissemination with the support from MEK specialist and the Gender Advisor. The mission observed the extension of technology transfer among the beneficiaries through demonstration and practical training. In addition, the project awards certificates to vocational training participants.

123. Knowledge management activities include the following: i) exchange visit regularly held under Livelihood Protection Component across districts to share modern and indigenous technical knowledge on crops & vegetable cultivation, poultry & livestock farming and fish culture, ii) day observation as an opportunity for raising awareness and recognition to beneficiaries and stakeholders such as International Woman Day, National Disaster Preparedness Day, world Environment Day etc. iii) training modules and materials (flip chart, poster, video etc) for LCS, BUG, IMC/MMC and CIG with the support of line departments and internet based research iv) knowledge sharing on experience, product development, best practices, case studies of successful beneficiaries, occasional project events and process improvement discovery across other projects and organizations through IFAD Asia portal, LGED HILIP website, local and national print media, electronic media broadcasting in Independent Television and BTV of Bangladesh as well as publications. The mission noticed however that recent documents are not uploaded and accessible on the IFADAsia website. This is being addressed by the M&E unit with the collaboration of LGED's MIS section. v) seminar and workshop at PMU, DMU, UMU levels such as gender workshop, district planning workshop, regional awareness seminars about CALIP activities, with specific focus on the FFEWS etc. and vi) regular stakeholder meeting at PMU, DMU, Upazila, union and village levels.

124. INAFI Bangladesh and PROCASUR Corporation partnered with HILIP to map such innovations and best practices and to support their up-scaling across the IFAD portfolio. As such, with the support from LGED, INAFI Bangladesh and PROCASUR organised a Learning Route "Experience of Vegetable Village; a livelihood Improvement best practice of HILIP" from 30 March to 01 April, 2016 based on the case showcasing the introduction and substantial extension of vegetable cultivation in the fallow land of deep haor region.

125. The case reflects inclusive approach of the project towards livelihood improvement through providing support at each level of vegetable production starting from input level and stretching up to marketing level with trainings, demonstrations, technology transfer, building forward and backward linkage and continuous technical support. The participants included one Progressive Farmer, Livelihood Coordinator and Social Organizer from each of the 5 working districts of HILIP, for a total of 15 participants. The 3 day LR provided the participants with an opportunity to learn directly from the field the best practice and inclusive approaches, and was structured as follows

126. The participants identified the areas of improvement in their own area and applied their knowledge to analyse and include some innovative solutions in their action plans. There was a panel of 4 personnel including representatives from LGED head office, LGED Sunamganj and INAFI Bangladesh to give feedback on the action plans. Future follow-up meetings will be arranged to ensure a continuous support to the implementation of these action plans.

127. Climate and environment focus is rated as satisfactory (5). The climate focus is ensured through the CALIP activities that are incorporated in Component 2, 4 and 5. The environmental management activities for the infrastructure development are site specific and the LCS members receive training in site management, which also applies to canal and beel excavation and good practice in community resource management. Good practices are also promoted for appropriate slope levels, water storage or provision for agricultural use. Under livelihood components optimal crop selection and land assessment are encouraged with the aim of maintaining the Haor ecology. During the infrastructure development, in an effort to limit the obstruction of water flows, the construction of roads limits levels to natural contours. Even though communities desire all weather roads, submersible roads are proposed to minimise the impacts on the natural environment. This is also passed on to LCS' during their training. The training sessions also include roles and responsibilities in environmental management for different actors.

128. The use of organic fertiliser in crop extension, integrated pest management and non-invasive vetiver grass also provides environmental benefits. The chicken droppings are also sold as manure which is an additional source of income for the CIG members apart from providing the environmental benefits.

D. Fiduciary Aspects

129. Quality of financial management is rated as *moderately unsatisfactory* (3). As a foreword, the mission would like to point out that the above rating is not at this stage a reflection of the recently recruited Financial Management Specialist's performance, as the incumbent has not been empowered to fulfil her duties as head of the Finance Unit. This rating is justified by the fact that most of the measures recommended by IFAD in the past year have either not been implemented or have been implemented belatedly. As a result, the expected benefits from these measures are yet to be attained.

130. As part of the midterm review, the HILIP-CALIP financial management system was evaluated with a view to verify compliance with IFAD fiduciary requirements and to assess the level of financial performance. The overall fiduciary risk of the project was evaluated as medium due to weaknesses observed in the accounting and financial management systems, the Finance Unit structure and organization, budgeting, treasury management and procurement. The mission's findings are described in the following paragraphs; failure to implement the related recommendations immediately could seriously hamper the project's financial performance and negatively affect the implementation of project activities.

131. Accounting system. Since the installation of the TOMPRO accounting software last October, very little progress is observed. Desktop computers were only made available to the District Management Unit (DMU) Finance Assistants in May 2016, and the prior year data in Excel format for uploading into the database were only partially sent to the TOMPRO consultant². In addition, the DMU Finance Assistants continue to work on the manual registers as a priority (since this is a GoB requirement), and only use TOMPRO "as time permits". As a result, they are still not fully conversant with the software, and current year transactions are only partially recorded in the system.

132. Given the resources invested in its acquisition, and the benefits that the project would derive from its full use, it is imperative that this software be operationalized as a matter of urgency. In order to achieve this, the project's management must make it a priority and:

- a) Prepare and implement a detailed action plan for the operationalization of TOMPRO, including the completion of the prior years' data Excel worksheets, the input of all current year transactions, the thorough verification of data entry and the implementation of the unused features (WA preparation, budget monitoring, bank reconciliations, and fixed assets management);
- b) Recruit a private accounting firm to assist the Financial Management Specialist in the implementation of this action plan;
- c) Instruct DMU Finance Assistants to use the software on a daily basis and as their main accounting and financial management tool (this entails evaluating their workload and may require recruiting additional finance staff at DMU level).

133. Financial management. Globally, there has been no noticeable improvement in the financial management of the project, for several reasons. Firstly, two thirds of the fiduciary recommendations issued during the last supervision mission are yet to be implemented. Secondly, the PMU still has not completed the review of the finance/admin procedures manual that is needed in order to finalize it. Thirdly, the newly hired Financial Management Specialist (FMS) is not utilized as expected (see below). Last but not least, since the TOMPRO system is still not fully operational, the project continues to rely heavily on financial data generated from its manual registers and Excel worksheets, which are by essence unreliable. In addition, the mission has observed that progress reports produced by the M&E Officer or component heads contain financial information obtained directly from the DMUs and which is different from the data produced by the Finance Unit.

134. In this context, the project is still unable to properly monitor its budget, manage its treasury, and analyze/report on its financial situation. With regard to financial reporting, the monthly returns from the DMUs were found to be incomplete³, and the PMU does not conduct any verification of these returns; the figures from the returns are simply re-entered on Excel worksheets to produce various consolidated statements. The mission reiterates its recommendation that following an extensive monthly verification of accounts as prescribed in the manual (including of DMU financial data), the PMU Finance Unit should prepare a complete monthly financial report including analyses of disbursement rates by expense category, AWPB execution, cash situation/forecast, uncleared advances, implementing partners' financial situation, procurement plan execution and any salient administrative matters.

² The prior years' Excel worksheet for the Brahmanbaria DMU has still not been completed and sent to the consultant.

³ The DMUs returns do not include any funds flow statement/reconciliation, cash forecast or schedule of advances outstanding, and not all supporting documents are attached.

135. Finance Unit structure and organization. The mission has observed that the allocation of duties among Finance Unit staff is not optimal. Both Finance Assistants and the Accounts Officer engage in the same types of tasks, and the FMS spends a significant amount of time on menial accounting tasks. This may result in segregation of duties problems, as for example, the Accounts Officer records transactions and prepares the operational bank account reconciliation. The mission recommends that (i) the procedures manual be used as a guide to revise the TOR for each staff of the Finance Unit in order to rationalize the allocation of duties and ensure proper segregation of duties, and (ii) the duties of the FMS, in order to effectively lead the unit, be centered around supervising the PMU and DMUs finance staff, 'high-level' reviews, analytical tasks, and financial reporting. Additionally, as recommended previously, the mission believes that the salary levels of the finance staff should be revised as part of the midterm reallocation of funds in order to ensure retention and motivation of qualified staff. This revision must ensure that salaries are in line with other IFAD supported projects. Finally, the current one-year contract of the FMS must be extended until project completion.

136. Administrative management. In order to improve the project's administrative management, the mission makes the following recommendations:

- Extension of the half-yearly performance evaluation exercise to all project personnel, including those on consultant contracts. Setting of objectives for each staff at the beginning of each fiscal year as part of the evaluation process.
- Contracting of an accident/health insurance policy for all staff as per IFAD loan agreement covenants.
- Management of assets in TOMPRO and conduct of a full physical inventory strictly following the procedures described in the finance/admin manual.
- Contracting of an insurance policy for all project assets, as per IFAD loan agreement covenants.
- Daily backup of key files (particularly accounting data) on an external device, with offsite storage.

137. AWPB execution and budgeting system. The table below shows performance against annual budgets since project start, up to 30/04/16 (amount in thousands BDT)⁴:

	Comp. 1	Comp. 2	Comp. 3	Comp. 4	CALIP 5	Comp. 6	TOTAL
Fiscal year 2012-13							
Budget	30 577	72 307	3 759	4 241	-	108 303	219 187
Actual	61 700	26 391	357	12 739	-	103 541	204 728
% execution	202%	37%	10%	300%	-	96%	93%
Fiscal year 2013-14							
Budget	494 350	228 970	7 881	13 319	-	138 980	883 500
Actual	496 128	213 538	6 589	20 313	-	145 974	882 542
% execution	100%	93%	84%	153%	-	105%	100%
Fiscal year 2014-15							
Budget	602 400	687 800	120 100	42 000	246 606	160 500	1 859 406
Actual	545 409	720 905	17 625	30 892	61 493	128 867	1 505 191
% execution	91%	105%	15%	74%	25%	80%	81%
Fiscal year 2015-16							
Budget	593 203	1 222 232	137 637	102 312	53 096	191 520	2 300 000
Actual (10 months)	353 547	351 473	4 300	43 192	23 945	69 630	846 087
% execution	60%	29%	3%	42%	45%	36%	37%

138. The figures presented above were produced by the Finance Unit, and are different from those of the M&E Officer and component heads, none of which could be verified. This made it impossible to analyse in detail AWPB execution and forecasted expenditure till year-end. Overall the low execution rate is caused by the cash shortages and the flash floods, both of which slowed operations. Components 5 and 6 are also negatively affected by the lack of Procurement Specialist to handle consultancy services.

139. The 2016-17 AWPB should have been submitted on 30/04/16 but is still under preparation. The mission stresses the importance of full documentation of all unit cost bases and assumptions, as well as the production of district-level AWPBs to allow for monitoring by the DMUs. Again, the mission recommends that an efficient budget monitoring system be put in place, with a monthly budget-to-actual statement generated from TOMPRO, and analyses of budget variances during a monthly budget review meeting chaired by the Project Director, with the participation of the FMS, M&E Officer and all component heads.

⁴ Budget figures for the fiscal years 2012-13 and 2013-14 do not correspond to IFAD-approved AWPBs, but to GoB approved annual budgets, which are the bases for project implementation.

140. Treasury situation and funds flow. The project has continued to experience cash shortages during the period under review, due to the delays in justification of LCS advances, and the low frequency of withdrawal applications. Once more, the PMU has been unable to produce a cash forecast as requested by the mission. Cash forecasting at both DMU and PMU level is necessary to optimize the management of funds within the project; half-yearly cash forecasts should be prepared by the project and updated monthly.

141. The mission noted delays in the recording of transactions in the manual registers at PMU level, which serve as the basis for the bank reconciliations. As a result, bank reconciliations had not been prepared since October 2015 and March 2016 for the CALIP and the HILIP operational accounts, respectively. As this is an essential control, the mission urges the project to prepare bank reconciliations promptly after each month-end, using the TOMPRO ledger as the basis. Also, the reconciliations should not be prepared by the person responsible for recording transactions.

142. Advances. The mission has noted some cases of old outstanding advances (over 2 years old for some LCS and training/demo advances to staff), for which the project was unable to provide a satisfactory explanation. This illustrates the need for a strict monitoring of the amounts and ageing of all advances (to LCS, staff and implementing partners) and for taking the necessary actions on old outstanding advances (e.g. cancellation of contract or activity, refund of the advance, etc.).

143. Implementing Partners (IPs). HILIP-CALIP works with 11 IPs in training, research and monitoring activities. A total of USD 236 000 (representing 57% of advances paid) is outstanding as 30/04/16; most of these advances are over 8 months old. The mission notes that advances to IPs are not properly monitored, financial returns submitted by IPs are not verified by the PMU, and transactions related to IPs are not recorded in the accounts on a timely basis. The mission recommends that the advances be aged and monitored regularly, that the Finance Unit liaises with the component heads to ensure alignment of physical progress with financial execution of the IPs contracts, and that all transactions be recorded.

144. Acceptable disbursement rate is rated as *satisfactory* (5). The following tables show consolidated disbursements for HILIP (IFAD loan, IFAD grant and Spanish Trust Fund loan) and CALIP (ASAP Trust Fund grant) as of 11/05/16 (amounts in SDR)⁵.

HILIP

Category #	DESCRIPTION	Allocated	Disbursed	% Disbursed	Available balance
1A	Civil works - Communication	13 451 715	5 072 492	38%	8 379 222
1B	Civil works - Community	20 702 496	5 622 623	27%	15 079 872
2	Vehicles & equipment	560 000	713 117	127%	-153 117
3	Technical Assistance, Studies, training & workshops	4 570 000	1 127 484	25%	3 442 516
4	Salaries & allowances	8 270 000	1 925 168	23%	6 344 832
5	Operating expenses	1 520 000	291 019	19%	1 228 981
	Unallocated	3 450 000	0	0%	3 450 000
	Advances to designated accounts	0	12 486 191	-	-12 486 191
TOTAL		52 524 210	27 238 095	52%	25 286 115

CALIP

Category #	DESCRIPTION	Allocated	Disbursed	% Disbursed	Available balance
1B	Civil works - Community	4 700 000	0	0%	4 700 000
3	Technical Assistance, Studies & workshops	3 900 000	0	0%	3 900 000
4	Recurrent costs - Salaries & operating costs	300 000	0	0%	300 000
	Unallocated	1 000 000	0	0%	1 000 000
	Advances to designated account	0	2 334 696	-	-2 334 696
TOTAL		9 900 000	2 334 696	24%	7 565 304

145. Analysis of disbursement rate. HILIP has now reached 46% of its total implementation period. Even though the overall disbursement rate appears to be acceptable, it should be pointed out that unjustified advances represent nearly half of total disbursements (overall disbursement rate drops to 28% when the IFAD advance is excluded). For categories 1A and 1B, the low rates are mainly due to the time lag in the submission of WAs and in the justification of LCS advances. Category 3 has suffered from the absence of a Procurement Specialist at the PMU to handle the procurement of consultancy services. With regard to categories 4 and 5, the project was not able to provide satisfactory explanations on the low disbursement rates. According to PMU records, HILIP financial commitments⁶ (civil works contracts signed, not yet disbursed) amount to USD 11.1 million, which would increase the disbursement rate (excluding IFAD advances) to 43%.

5 Data relating to the IFAD loan and grant and the ASAP grant were converted from USD to SDR using the rate of 0.685, while data relating to the Spanish Trust Fund loan were converted from EUR to SDR using the rate of 0.81515 (averages since project start).

6 Given the poor quality of project accounting records and data, this amount could not be verified by the mission, and should therefore be used with caution.

146. CALIP has reached 26% of its total implementation period. The 24% current disbursement rate is entirely made up of IFAD advances. The project records show cumulative disbursements at 30/04/16 of USD 780 354, for which no WA has been prepared to date³. When these unclaimed disbursements and financial commitments (USD 851 000 to be disbursed in 2016-17) are taken into account³, the overall disbursement rate, net of IFAD advances, stands at 11%.

147. In order to reduce the delays in the justification of LCS advances, the project has decided to request that LCS submit a first bill upon purchase of construction materials (the 2nd advance, however, would only be released upon completion of 60% of actual construction work).

148. Projected expenditure to completion and reallocation proposal. One month prior to the start of the MTR, the mission requested the PMU to review project achievements to date and financial commitments against the revised DPP (Development Project Plan) and, on the basis of projected activities for the remainder of project life, to prepare (i) a forecast of expenditure by component and by fiscal year until project closure and (ii) a proposal for reallocation of project funds by category. A reallocation proposal was submitted for only 2 out of 6 components, and only at the time of writing of the aide-memoire, and could therefore not be taken into account by the mission.

149. Withdrawal applications. 11 WAs⁷ have been submitted to IFAD since the last mission, 4 of which were advance requests and 1 was a direct payment. The mission has reviewed the 6 justification WAs, and has verified the documentation related to statements of expenditure (SOE) items on a sample basis. The main findings include:

- Claimed disbursements from DMUs cannot be traced to the AWPB as it is not segregated by district;
- Instances where claims for reimbursement of DMU expenditure were submitted prior to the actual date of disbursement;
- Payment of honoraria to project staff (in addition to their salaries) for facilitation or support services during HILIP-CALIP training sessions, as well as for visits of demonstration sites (totaling BDT 308 000 equivalent to USD 3 929). IFAD will review and revert on the acceptability of incurring these expenditures under IFAD's financing;
- In one case, a false participants list was used for a CIG training in Sunamgonj (the BDT 239 000 equivalent to USD 3 048 is declared ineligible);
- Incomplete contract monitoring forms (contract amount and payment schedule not filled out, balance due on contract not calculated);
- Claims supported by photocopies rather than originals in several cases.

Recommendations are issued accordingly.

150. In general, the mission has noted significant delays between (i) the disbursement and the submission of SOEs by the DMUs to the PMU, and (ii) the receipt of SOEs by the PMU and the preparation/submission of WAs to IFAD. As mentioned above, these delays negatively impact the project's cash flows and disbursement rates, and, ultimately, the implementation of project activities in the field. The delays are partly due to the fact that WAs continue to be prepared using the old UFMS software, which requires that all transactions be re-input into the system and increases the risk of errors, omissions or undetected double-claims. The mission strongly recommends that the (i) WAs be generated from the TOMPRO system, and (ii) documentation in support of DMU disbursements be submitted on a monthly basis to the PMU, so as to allow for preparation of monthly justification WAs.

151. Designated accounts (DA) reconciliations. As highlighted in the previous supervision mission reports, the PMU is unable to properly reconcile the project's designated accounts:

152. For HILIP, the funds from the 3 DAs (for the IFAD loan, IFAD grant and Spanish Trust Fund loan) are channelled through a unique operational account, which makes it impossible to reconcile each DA individually. The consolidated reconciliation (for the 3 DAs) at 30/04/16 prepared by the PMU at the mission's request shows an unexplained difference of USD 4 452 241, most likely representing outstanding advances to LCS, IPs, project staff (for training, demos, etc.) as well as other unclaimed disbursements. However, the current project accounting system (both at PMU and DMUs) does not generate reliable data that can readily provide justification for this difference. For CALIP, similarly, the DA reconciliation at 30/04/16 shows an unreconciled difference of USD 1 428 244.

153. The mission insists on the importance of reconciling the DAs and justifying all differences identified, as this is an essential control procedure. The mission therefore reiterates its previous recommendation that (i) a consolidated reconciliation of the 3 DAs be completed each month, and (ii) all differences be investigated and fully explained/justified.

154. Counterpart funds are rated as *moderately satisfactory* (4). The GoB contributes to project costs through (i) duties/taxes exemption and (ii) co-financing of infrastructure (50% of communication

7 6 WAs under the IFAD loan, 5 WAs under the STF loan, and none under the IFAD grant and ASAP grant.

infrastructure and 10% of community infrastructure) and operating expenses (30%). Payments under GoB and donor financing are normally made and recorded simultaneously in the HILIP-CALIP accounts. According to PMU records, cumulative expenditures funded by GoB as of 30/04/16 amount to USD 11.1 million equivalent, as detailed in the following table (amounts in BDT):

Fiscal year	Approved counterpart financing	Amount released by GoB	Actual expenditure	Unspent balance
2012-13	24 000 000	24 000 000	24 000 000	0
2013-14	240 000 000	240 000 000	239 973 995	26 005
2014-15	400 000 000	400 000 000	399 278 400	721 600
2015-16	400 000 000	299 250 000	210 012 740	89 237 260
TOTAL	1 064 000 000	963 250 000	873 265 135	89 984 865

155. The 4th and final installment of government contribution has been requested and should be released before the end of May. Any unspent balance from GoB financing is cancelled at the end of each fiscal year. The current cumulative expenditure of USD 11.1 million represents 35% of the GoB USD 32 million commitment (as per the financing agreement). Forecasted GoB disbursements for the remainder of the current fiscal year have not been established by the PMU.

156. Compliance with loan covenants is rated as *moderately satisfactory* (4). The PMU has complied with most of the financing agreements' covenants, except for the insurance of assets, accident/health insurance for project personnel, and financial/administrative procedures manual, which is yet to be finalized. In addition, the mission has noted a delay in the submission of the 2016-17 AWPB and procurement plan to IFAD for no objection.

157. Compliance with procurement is rated as *moderately unsatisfactory* (3). Project Procurement Planning, Monitoring and Reporting is weak. The mission was unable to ascertain if project implementation has been affected by delays in procurement throughout the fiscal periods of 2015 and 2016. Procurement plans are not updated, monitored and revised during the course of implementation as a result it is impossible to identify resulting variances and non-compliance between the approved procurement plan and actual procurement undertaken based on needs as identified by the project. The mission worked with the Sr. Assistant Engineer (PMU) to improve the next forthcoming 2016-2017 Procurement Plan and in ensuring consistency with the 2016 AWPB clearly linking monitoring of procurement plan along with effective contract management. The mission recommends the 2016-2017 Procurement Plan to be prepared and submitted to IFAD in accordance with the provisions of the IFAD Procurement Guidelines and Handbook whereby the procurement plan clearly identifies the details procurement to be undertaken by the project, enabling the PMU to closely monitor, update and revise its procurement based on its needs and report on procurement. Any subsequent changes in the approved Procurement Plan should be communicated and cleared by IFAD.

158. Procurement Processes and Procedures. The mission has validated that HILIP/CALIP has now started implementing the e-procurement for all civil works but it has not adopted e-procurement for goods since LGED has yet to mandate the use of procurement portal for goods stating that vendors are not yet registered in the system. The e-procurement system could be used for goods but not at present for consultancy services. The mission was able to validate that the e-procurement was implemented by HILIP/CALIP from the 19th April 2015 for new civil works procurements, however we have also validated that some procurements started in 2014-2015 and concluded in 2015/16 were implemented offline. Online tenders for civil works except works implemented by LCS are being undertaken through e-procurement portal and linked to the CMS Module (Contract Monitoring System Module). While the mission has validated that the use of the e-procurement portal enhances transparency and mitigates associated risks in procurement significantly, there is still room to improve the information of assessments and other details found and maintained within the system. Since offline tenders/bids pose significant risks, relatively dating back to the start of the project and inherited by the current management of HILIP/CALIP, the mission reviewed on a sample text case basis off-line tenders for civil works based on the previous mission assessment and findings. This mission through its assessment and findings has identified some areas of associated risks as a result of misfiled bidders documents (which makes it impossible for the mission and auditors to substantiate the evaluation reports), missing information, errors, misstatements in the evaluation reports and others. As such the mission recommends a comprehensive independent audit of all offline tenders/bids for civil works and goods. The independent audit's TOR's which includes the scope of audit and team composition is subject to IFAD clearance, and should include (i) assessing the project's, LGED's and IFAD's exposure to risk, (ii) validate the prima-facie evidence as gathered by the mission, and (iii) identify measures to mitigate LGED's and IFAD's exposure to these risks and assess the eligibility of these expenditures. This would also augment LGED and HILIP/CALIP statements that it has been trying to address issues arising from past management of HILIP/CALIP and to improve LGED governance, transparency and internal controls

159. The mission also reiterates the 2015 recommendation that the PMU identifies and selects suitable consultant(s) on retainer basis to support the PMU in the procurement of consultancy services which it has identified its need support on. As an added risk mitigation measure IFAD will consider revising its prior review requirements and threshold for civil works to USD 100,000 goods to USD 30,000, instead of the current thresholds of USD 200,000. as stated in the LTB . While for the procurement of consultancy services, all consultancy services shall be subject to IFAD prior review, instead of the current threshold of USD 100,000.

160. *Contract and Records Management.* While the PMU maintains individual files for each contract and manages each contract independently, the mission has identified a relative issue in the monitoring of LCS contracts through the contract management and monitoring reports which are consolidated by a cluster of several contracts. This typically does not enable the PMU, nor the DMU to manage and mitigate any associated risk of delays and non-performance. The mission has provided guidance on improvement of these reports which would strengthen the PMU and DMU's monitoring and reporting of the LCS contracts. The PMU and the DMU's also need to ensure that Performance Securities for the offline tenders in the form of Bank Guarantees are adequately renewed/or extended when there are delays. The mission has noted while the contracts are afforded with time extension, the Performance Securities are not extended exposing the Government/LGED and Project to risk in a particular contract. PMU/DMU need to ensure all related information on procurement are adequately filed and managed, mitigating associated risk of loss or misplacement when these files and records are required for audit or verification by the mission or even by LGED internally. Missing records and documents exposes LGED and the Project to significant risk since there is no way to validate the accuracy, soundness and transparency of the bid evaluation processes. This needs to be strengthened and improved significantly for offline tenders while for online tenders the information is maintained in the e-procurement and CMS systems minimizing any further need to maintain the information.

161. *Quality and timeliness of audits* is rated as *moderately satisfactory (4)*. Following the audit of the fiscal year 2014-15 project accounts, the Foreign-Aided Project Audit Directorate (FAPAD)⁸ issued unqualified opinions on the financial statements, the designated accounts, and the SOE. The audit was rated as moderately satisfactory by IFAD, as some of the required statements were missing (DA reconciliation, statement of WAs, budget-to-actual comparison, cumulative status of funds and statement of fixed assets). These documents will have to be prepared by the PMU, and reviewed and included in the FAPAD report as part of the fiscal year 2015-16 audit.

162. The auditors have issued a management letter highlighting major internal controls weaknesses (mostly relating to procurement, contract management/payments and long outstanding advances), non-compliance with government rules and technical supervision/monitoring of works at field level. Out of the 16 issues raised, 7 have been resolved, as confirmed in the letter issued by FAPAD on 03/05/16. For the previous years audits (2012-13 and 2013-14), all issues have been resolved. As most of the issues raised in the 2014-15 audit relate to procurement, it is expected that the independent procurement audit recommended by the mission would also address these issues.

163. LGED's internal audit department regularly visits the XEN offices in the districts to conduct audits of LGED projects, focusing on the review of contracts and expenditure. However, due to the large number of projects managed by LGED, only 10 to 15 projects are audited each year. The last audit of HILIP-CALIP was carried out in fiscal year 2012-13, and the report issued in January 2014. Given the evaluation of the fiduciary risk in HILIP-CALIP, the mission recommends the selection of a private audit firm to perform the internal audit function.

8 FAPAD is part of the Office of the Comptroller and Auditor General of Bangladesh, the country's Supreme Audit Institution.

Agreed action	Responsibility	Agreed date
1. Prepare an action plan on the operationalization of TOMPRO; recruit a private accounting firm to assist in implementation of action plan	FMS	05/06/16
2. Provide input for finalization of procedures manual	PD	30/06/16
3. Conduct thorough monthly verification of accounts and DMU financial returns and prepare monthly financial report	PD / FMA	31/05/16
4. Revise allocation of duties in Finance Unit and revise FMS TORs; extend FMS contract until project completion	FMS	Continuous
5. Revise Finance staff salaries at PMU and DMUs as part of reallocation	FMS / PD	15/06/16
6. Accelerate 2016-17 AWPB preparation, including full documentation of unit cost bases/assumptions; prepare and monitor district-level AWPBs	PD	15/10/16
7. Implement an efficient budget monitoring system at PMU and DMUs	PD	01/07/16
8. Prepare 6-month cash forecast and update monthly	PPIS	15/06/16
9. Prepare bank reconciliations for all accounts promptly after month-end	FMS	30/06/16
10. Develop a reliable monitoring system for the payment, clearance and ageing of all advances	FMS	Continuous
11. Record all IPs transactions and liaise with component heads to ensure alignment of physical progress and financial execution	FMS	Continuous
12. Prepare projected expenditure till project close and proposal for reallocation of funds and submit to IFAD	FMS	Continuous
13. Prepare a monthly justification WA	PD	Immediate
14. Prepare a consolidated DA reconciliation for HILIP on a monthly basis and explain/justify all differences	FMS	Continuous
15. Reimbursement of ineligible expenditure from audit and SOE review	FMS	Continuous
16. Extend performance evaluations to consultants; set objectives to all staff for the coming year based on TORs and the AWPB	GoB	Immediate
17. Contract insurance policy for staff and assets	PD	01/07/16
18. Manage assets in TOMPRO and conduct physical inventory	FMS	01/07/16
19. Review and include in 2015-16 audit report the DA reconciliation, statement of WAs, budget-to-actual comparison, cumulative status of funds and statement of fixed assets	FMS	30/06/16
20. Recruit a private audit firm to perform the internal audit function	FAPAD	31/12/16
21. Prepare and submit a detailed PP for 2016/2017 which facilitate revision, updates, monitoring and reporting	PD/FMS	31/07/16
22. Reconcile the contract registers with the progress reports and ensure all data is accurate and identify procurement of civil works undertaken through e-procurement.	PMU/DPMU's	30 June 2016
23. Independent Audit of all offline tenders for civil works and goods.	PMU/DPMU's	30 June 2016
24. Identify and selects a procurement consultant (on retainer) to support the PMU for consultancy services	PMU/DPMU's/IFA D	31 December 2016
25. Revise the LTB's prior review requirement and threshold for procurement of civil works, good and consulting services	PMU	30 June 2016
26. Review and ensure performance guarantees are extended for all going and uncompleted contracts (civil works off-line tenders/bids) in case of time extensions or delays	IFAD	30 June 2016
27. Improve progress report monitoring of LCS contracts by each contracts rather than a cluster of contracts	PMU/IFAD	30 June 2016
28. Ensure all tenders files for offline tenders for civil works and goods are available and ready for the independent audit.	PMU/DPMU's	30 June 2016
		30 August 2016

F. Sustainability

164. Institutional building is rated as *satisfactory* (5). The core strategy of project is grassroots institutional capacity building for enabling sustainable rural transformation. In order to foster this development, the groups were formed for social mobilization, receiving training as well as providing services. The project has begun registering BUGs as legal entities, and if they are able to secure lease rights to the beels, the BUGs have proven to be sustainable institutions, capable of improving the management of water bodies. The mission observed that BUG members have a concrete incentive to ensure the strengthening and long term survival of their group, as their membership

ensures access to water resources that would otherwise be inaccessible. This in turn translates into the annual distribution of the profits earned from the collective and sustainable exploitation (fishing) of the water body ensures that all BUG members benefit.

165. Furthermore, the mission witnessed the election of a Upazila level Beel Management Committee. Members of various BUGs within the Upazila elected other BUG members to form a Upazila Beel Management Committee (BMC) to represent them at higher levels of local administration. There are plans to federate the BUG at District level as well.

166. Empowerment (social sustainability) is rated as *satisfactory* (5). HILIP is empowering poor people particularly women in need through creating access to different grassroots institutions and leadership and entrepreneurship. Though it might be too early to assess the impact but monitoring data shows the promising results on economic and social empowerment. The use of labor-intensive approaches to work, including beel and canal re-excavation by BUGs and construction work by LCSs leads to local employment-creation. Moreover, the mission discussed CIG members who improve their wellbeing from receiving livelihood trainings on duckling and chicken rearing. They are now small entrepreneurs who have regular income and make good profit. Their increased income also accounts for local economic growth.

167. The mission was able to witness first-hand how BUG members are being empowered through the upazila BMC election. By supporting the formation of these groups, and ensuring their access to the water resources has undeniably led to greater recognition of these communities of fishermen and women, and the presence of local government officials at BUG events has reinforced the position of the BUG and its members within the community.

168. Quality of beneficiary participation is rated as *satisfactory* (5). By focusing on the demand by the poor, it has been found full involvement from individuals since it is well understood that the assets will benefit to themselves and entire communities. Agriculture and livestock extension by other CIG farmers after the demonstration was also reported. The project has been enhancing the ability of the poor to participate in their own decision-making thanks to specific training and empowerment generated from the newly created local group.

169. Responsiveness of service providers is rated as *satisfactory* (5). Contractors have been found very responsive and have all met the necessary specifications during construction.

170. Exit strategy is rated as *moderately satisfactory* (4). The adoption of the revolving fund mechanism has proven to be a useful mechanism to ensure a smooth exit strategy. With this mechanism, the initial demonstrators use some of their profits to partially or completely reimburse the financial support received from the project. These funds are passed on to other CIG members, within the same group, in order to support them in adopting the relevant technologies. This mechanism can thus ensure that the initial project contribution is 'multiplied' to benefit a much larger number of people.

171. Another crucial aspect for the project's exit strategy relates to ensuring technical assistance and financial inclusion for LCS members. In fact, discussion with a number of LCS members have highlighted how the wages and profits earned through infrastructure works is insufficient to start micro-enterprises. Similarly, short IGA trainings do not necessarily offer relevant solutions for unskilled labour, and in fact a number of LCS members have asked for more construction schemes that would allow them to stay employed. Linking these LCS with contractors and other LGED projects could provide a medium-term solution.

172. With regards to infrastructure maintenance, the Rural Road Maintenance Policy has been approved in 2014. The maintenance of Union and Upazila roads will be under the responsibility of LGED, while the maintenance of village roads will be under Union Parishads. However, the project should create a community maintenance mechanism for village protection works while maintaining necessary routine spending during project period. MMC will take responsibility for the management and upkeep of rural markets. Linking beneficiaries to concerned local government department would ensure long term service support to beneficiaries.

173. Potential for scaling up and replication is rated as *satisfactory* (5). HILIP is building on the SCBRMP's lessons learned, and CALIP is further extending the HILIP's scope of work with a specific focus on the community and ecological resilience to climate change. The community infrastructure, livelihood protection and natural resources management are all being implemented and further strengthened by CALIP to build up resilience to climate change. In addition, the COSOP MTR report has identified a pipeline project that would replicate HILIP activities along river bank and river charareas.

E. Other

174. Physical and financial assets are rated as *moderately unsatisfactory* (3). Given the lack of a MTR RIMS report, it is not possible to accurately assess the impact of the project in increasing individually owned physical or financial assets

175. Food security is rated as *moderately unsatisfactory* (3). Given the lack of a MTR RIMS report, it is not possible to accurately assess the food security results at MTR. The upcoming outcome study would provide robust evidence on this aspect. However, in many cases, the mission noted that an increased income lead to reinvestment in productive activities which generate an extra income that can be spent on food. Community infrastructure (roads and markets) also facilitates competitive markets and more food supply, thus lower price.

176. Quality of natural assets improvement and climate resilience is rated as *satisfactory* (5). No major environment issue has been detected. CALIP aims to improve climate resilience and promote renewable technologies. However, its implementation has only recently started.

F. Conclusion

177. Overall, after 46 months of implementation, or slightly less than 50% of the total project life, the physical achievement rate is 42% on average, with a disbursement rate of 52% for HILIP and 24% for CALIP. While these achievements show a slight delay in implementation, the mission is pleased to report that the project has made substantial progress in terms of the construction of Upazila and Union road construction under component 1, as well as the transfer of beels under component 3 and with the development of a livelihood strategy for component 4. Nonetheless, a number of concerns remain, notably with the slow rate of progress under component 2, particularly for the current fiscal year, as well as under Components 3 and 4, where the targeted outputs have not been achieved.

178. In order to achieve its target in the remaining amount of time, the project needs to first of all develop an accurate action plan for the remaining implementation period. This will imply reassessing the infrastructure needs and targets at the field level, in conjunction with the pace of implementation/construction of each activity, and other factors such as costs. Ultimately this information should be compiled in a budget reallocation and target revision proposal to be submitted to IFAD as soon as possible. The document should include adequate justifications for the proposed changes.

179. In terms of Component 2, a closer monitoring of the LCS would allow to identify which groups are performing better and which groups need additional support. Providing more targeted support to the LCS that are lagging behind will significantly improve the pace of implementation. Under component 4, while the impact of the various livelihood activities is very tangible and visible, the target for demonstrations and trainings have not been achieved for the first phase. As per design, the livelihood activities should now move into a second phase, covering 14 new upazilas, thus focusing the efforts of HILIP staff in these new areas. In order to reach the targets for the first phase, the mission recommends exploring the possibility of engaging the line departments and lead farmers to undertake the remaining demonstrations and trainings, with lesser support from the project.

180. In addition the project needs to immediately strengthen their planning and M&E capacities. In fact, the PMU was unable to submit neither a draft AWPB nor a proposal for budget reallocations, and as such the MTR mission was unable to provide concrete recommendations in terms of target and budget reallocations. The overall monitoring and reporting needs to be improved, as the mission noticed discrepancies between the data provided by the finance unit, the component teams and the M&E unit. Furthermore the project is still in the process of recruiting a firm for the Mid-Term Impact assessment, which is another missed opportunity for the MTR mission, as the analysis of the impact assessment would have greatly enriched this report and allowed for more relevant and accurate recommendations.

181. Finally, there are still important concerns in terms of the financial management and procurement, as a number of recommendations have not yet been complied with. In particular the accounting software is not yet operational and the financial unit is not yet familiar with financial guidelines developed with support from the previous mission. The MTR mission has provided recommendations and highlights how the failure to implement the related recommendations immediately could seriously hamper the project's financial performance and would lead to a decrease in the financial management ratings.

182. IFAD and the Government of Bangladesh endorse all findings and recommendations of this Aide Memoire.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Bangladesh	Project ID	1585 [1100001585]	Loan/DSF/Grant/ASAP FI No.	1000004078, 1000004080, 1000004082
Project	Haor Infrastructure and Livelihood Improvement Project - Climate Adapation and Livelihood Protection			Top-up Loan/DSF/Grant/ASAP FI No.	2000000252
Date of Update	21-Jun-2016				
Supervising Inst.	IFAD				
No. of Supervisions	4	No. of Implementation Support/Follow- up missions	3		
Last Supervision	27- Nov- 2015	Last Implementation Support/Follow- up mission	10-Dec-2012		

USD million Disb. rate %

Approval	15-Sep-2011			Total financing	133.31	
Agreement	18-Jul-2012	Effectiveness lag	10.2	IFAD Total	71.14	
Entry into force	18-Jul-2012	PAR value	-----	IFAD loan	55.05	49
First disbursement	29-Nov-2012			DSF grant		
MTR	27-May-2016	Last amendment		IFAD grant	1.04	49
Original completion	30-Sep-2020	Last audit	31-Dec-2015	ASAP grant	15.05	24
Current completion	30-Sep-2020			Domestic Total	32.42	
Current closing	31-Mar-2021			National Govern	32.42	8
No. of extensions	0			External Cofinancing Total	29.75	
				Spanish Fund	29.75	12

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	3	1. Quality of project management	5	4
2. Acceptable disbursement rate	5	5	2. Performance of M&E	5	4
3. Counterpart funds	4	4	3. Coherence between AWPB & implementation	4	5
4. Compliance with financing covenants	4	4	4. Gender focus	6	6
5. Compliance with procurement	3	3	5. Poverty focus	6	6
6. Quality and timeliness of audits	4	4	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	5	5
			8. Climate and environment focus	5	5
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Communication Infrastructure	5	5	1. Institution building (organizations, etc.)	5	5
2. Community Infrastructure	5	4	2. Empowerment	5	5
3. Community Resource Management	4	4	3. Quality of beneficiary participation	5	5

4. Livelihood Protection	5	4	4. Responsiveness of service providers	4	5
5. Capacity and knowledge for building resilience	5	5	5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	5

B.5 Justification of ratings

The project has made significant progress regarding the infrastructure work (component 1 and 2) and capacity building through livelihood improvement training (component 4). Community Resource Management (component 3) still lags behind the target in terms of activities, but the project has finally been able to transfer 383 beels by December 2016, and possibly 454 by June 2016. Knowledge management, gender and poverty focuses are strong areas. The decentralized M&E system is promising, but needs cross monitoring and close supervision from PMU level. Regarding fiduciary aspects, the project's financial reporting capacity is expected to improve with recent recruitment of the Financial Management Specialist and the implementation of an accounting software and related training. Timeliness and completeness of audit reports should be improved. In respect to procurement, whilst the project largely follows Government rules and regulations, opportunities exist to develop better practice. The anticipated increased in the use of e-tendering for the procurement of works and goods will assist in doing this, as will filling the current vacancy for a Procurement Specialist within the PMU.

Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	4	3
C.2 Food security	4	3
C.3 Quality of natural asset improvement and climate resilience	5	5
C.4 Overall implementation progress (Sections B1 and B2)	5	4

Rationale for implementation progress rating

The mission found the project implementation progress over the last period as satisfactory. The project is currently around 33% disbursement (35% for HILIP and 24% for CALIP), but when considering the contracts awarded and tendered, the project will should be able to exceed 50% by June 2016.

C.5 Likelihood of achieving the development objectives (section B3 and B4)

Rationale for development objectives rating

The project implementation is progressing towards the development objectives. The project is scaling up successful interventions of the SCBRMP, and expected to complete all infrastructure work in a timely manner (by 2017) in order to maximum benefit of poor people in the haors.

C. Risks Short description of major risks for each section and their impact on achievement of development objectives and sustainability

Fiduciary aspects	The overall fiduciary risk was evaluated as medium due to weaknesses observed in the accounting and financial management systems, the Finance Unit structure and organization, budgeting, treasury management and procurement. Failure to implement the related recommendations immediately could seriously hamper the project's financial performance and would lead to a decrease in the financial management ratings.
Project implementation progress	No particular risks.
Outputs and outcomes	The key is to focus on completing the rural infrastructure work, strengthening all grassroots organizations as well as ensuring land title and water bodies provision.
Sustainability	No major risks.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Financial Management	Full implementation, including data input, of the specialised accounting software adapted to project and donor and training of PMU/DMU finance staff.	30 September 2016	
Financial Management	Full implementation, including data input, the operation of accounting software (TOMPRO), recruitment of competent as well as accountants, procurement compliance.	continuous	
AWPB 2015 – 2016 component 1 and 2	Review the targets set out in AWPB and update the program as well as finalize actions to complete remaining of target infrastructure works by June 2018.	30 June 2018	
Component 3	Complete transfer of remaining water bodies and formation of BUGs	June 2016	
Component 4 and sustainability	Enter into MoU with PACE/PKSF for the provision of financial and technical services to CIG and LCS members	June 2016	
Monitoring and Evaluation	Submit to IFAD the draft RIMS Mid-term Outcome report	August 2016	

Additional observations

Appendix 2: Combined LogFrame

Narrative Summary	Objectively Verifiable Indicators	Monitoring Mechanism & Information Sources	Assumptions
A. PROJECT GOAL			
The Project Goal will be to contribute to the reduction of poverty in the Haor Basin.	<ul style="list-style-type: none"> ➤ 30% of the randomly sampled households with improvement in household asset ownership index. (RIMS) ➤ 20% reduction in the prevalence of child malnutrition. (RIMS) 	Multiple Indicator Cluster Survey (MICS) of the Bangladesh Bureau of Statistics.	No major natural disasters. No major price inflation for rice
B. PROJECT OBJECTIVE (HILIP & CALIP)			
HILIP: The development objective is to improve living standards and reduce the vulnerability of the poor. The project is expected to directly benefit 115,000 rural poor households.	<ul style="list-style-type: none"> ➤ 35,000 HHs Increase in incomes by atleast 30% by participating the project ➤ 8,000 HHs reduction in losses and damages from flood waters, wave action and disease. ➤ 35% drop in experiencing two hungry seasons (RIMS) 	RIMS surveys at baseline, mid-term and completion. Participatory assessments with target households.	No major economic slow down. Inflation kept under control.
In addition, CALIP will strengthen the community and ecological resilience to climate change in the Haor region	<ul style="list-style-type: none"> ➤ 115,000 of HHs made resilient⁹ 		
C. COMPONENT OUTCOMES AND OUTPUTS			
COMPONENT 1: Communication Infrastructure (HILIP)			
Outcome 1: Enhanced access to markets, livelihood opportunities and social services.	<ul style="list-style-type: none"> ➤ Traffic volume for Upazila and Union roads increase by 80%. ➤ Increase in the volume of goods marketed by 50%. ➤ 40% of HHs reporting benefit from project roads (RIMS). ➤ 90% of the project-constructed roads maintain under good condition (RIMS) 	Road user surveys. Market surveys. MICS Surveys. RIMS and baseline survey	Slow pace of economic growth. Short of labour.
OUTPUTS: Construction of Upazila and union roads. Construction bridges and culverts. Construction of boat landing platforms (ghats)	250 km road completed 1750 running metres of bridges and culverts constructed. 50 landing ghats built. 1.4 million man-days of wage employment in construction works created	Project progress reports	No major damage to roads by floods and wave action.
COMPONENT 2: Community Infrastructure (HILIP + CALIP)			
Outcome 2: Enhanced village mobility, increase in farm production and protection against extreme weather events.	<ul style="list-style-type: none"> ➤ HILIP: Traffic volume increased by 100%. ➤ 90% of project-built markets well operational (RIMS) ➤ 100% of project-built markets with MMC ➤ CALIP: Decrease by 70% the number of houses destroyed by wave action 	Road user surveys. Market surveys. Participatory surveys MICS Surveys.	Slow pace of economic growth.

9 A resilient household in the Haor is expected to exhibit the following characteristics: i) diversified livelihood and income streams; ii) improved risk management based on better access to information; iii) enforceable usufruct rights; and iv) security from avoidable hazards.

Narrative Summary	Objectively Verifiable Indicators	Monitoring Mechanism & Information Sources	Assumptions
OUTPUTS: Village protection improved Community roads improved Development and protection of markets, collection points. Men and women employed for construction of schemes.	HILIP: 78 village protection 350 km road completed 78 markets developed Protection works for 52 village markets done Protection work for 90 informal market collection completed 90 collection centres established 2.2 million man-days of wage employment for women and men in construction works created	Progress Reports, M&E report	No major damage to roads and village protection works by floods and wave action. Public procurement policy continues to allow direct procurement of works through LCS.
CALIP Optimal VP designed Prototype sanitary village model Revision of engineering norms to include vegetative protection	CALIP: 224 villages protected 168 villages with common infrastructure services 4 model villages 20 killas and 30 beel-banks protected using vegetative species 50 km road slope protected with vetiver grass 520 LCS trained		
COMPONENT 3: Community Resource Management (HILIP)			
Outcome 3: Enhanced access of the poor men and women to sustainable water bodies with increased production capacity and biodiversity.	➤ 20,000 fishers with increase in income > 50%, by gender (RIMS 2nd Level). ➤ 200 fishing pond operational after three years (RIMS 2nd Level).	World Fish Centre report & PMU fishery RIMS baseline and monitoring Surveys.	Interference and control by water lords of lease right of poor fishers Transfer of leases to BUGs is not obstructed and terms of leases provide long terms access to water bodies at reasonable cost. Price of fish.
Outputs: 500 Beel User Groups established of which 200 are new with a combined membership of 20,000. 200 Beels improved. 100 km of canals excavated.	500 Beel User Groups formed of which 200 are new, with combined membership of 20,000 by gender 200 beels improved 100 Km of canal excavated 1530 people trained by gender	Minutes of Scheme Takeover Project Progress Reports, M&E report	BUG members not controlled by water lords.
COMPONENT 4: Livelihood Protection (HILIP + CALIP)			
Outcome 4: Enhanced production, diversification and marketing of crop and livestock produce.	➤ HILIP: 20,000 HHs reporting production/yield increase by 30%. ➤ 60% of trainees adoption technologies recommended on cropping, by gender ➤ 60% of trainees adoption technologies recommended on livestock, by gender ➤ 960 employment and enterprise opportunities created	RIMS and baseline survey, Outcome study, Sector reports	Seed for improved varieties and improved technologies are available.

Narrative Summary	Objectively Verifiable Indicators	Monitoring Mechanism & Information Sources	Assumptions
<p>➤ CALIP: 50% of target group diversify their income stream</p> <p>Outputs: Employment and enterprise opportunities created, activities building awareness on social issues initiated, and demonstrations on crop/horticulture, livestock and fisheries implemented.</p> <p>CALIP Livelihood diversification through new sub-sector value chains and vocations</p>	<p>HILIP: <u>Crop and horticulture sector</u> 16,100 crop/horticulture demonstrations done 1,400 seed producers developed 26,600 crop/horticulture farmers trained 308 seed and IPM suppliers developed <u>Poultry and livestock</u> 42,000 poultry and livestock farmers trained and developed 840 paravet trained <u>Fisheries</u> 8,400 ponds and cage/pen fish farmers trained and developed</p> <p>CALIP: 137,844 persons trained in various production technologies.</p>	<p>Project Progress Reports, M&E report</p>	
COMPONENT 5: Capacity and Knowledge for Building Resilience (CALIP)			
<p>Outcome 5: Enhanced capacity and knowledge to contend with climate change impacts.</p> <p>Outputs: FFEWS operational Research findings of various technologies and systems are disseminated Policy briefs advocate research findings Climate sensitive policy dialogue leading to enhanced frameworks</p>	<p>➤ At least equal number of villages adopted CALIP tested low-cost village protection system (CALIP)</p> <p>➤ No. of policy options identified to support of climate adaptation in the Haor area</p> <p>CALIP No. of people reached by agro-meteorology weather forecasts; No. of institutions reached by FFEWS6 action research studies published ≥ 2 policy processes initiated on building community resilience</p>	<p>MMC surveys. Third Party Surveys. Department of Agriculture, Fisheries and Livestock Data.</p>	<p>Adaptation to climate change expertise available Political willingness to adopt evidence-based policy guidance The inter-agency coordination is ensured through proper monitoring.</p> <p>Evidence based issue identification is done to engage stakeholders.</p>

Appendix 3 – List of recommendations

Agreed Action	Responsibility	Date
Component 1: Communication Infrastructure		
1. Take coordinated efforts to complete construction as much as possible before monsoon. Implementation period may be extended up to a reasonable part to following working season	PMU/DMU/UMU	As per actual construction progress
2. Revise AWPB rationally and based on previous three years performance; plan in such a way that the remaining works could be completed within the next one and half years	PMU	June 2016
3. Take initiative to control of heavily loaded trucks on Haor submersible roads in collaboration with district administration, Upazila and union Parishad as well as by exploring the possibility of installing access control gate.	PMU/DMU/UMU	Immediately
4. Take initiative to expedite construction of boat landing platform	PMU	Immediately
5. Merge Bridge & Culvert with other demanding item like construction of more roads	PMU	June 2016
Component 2 - Community Infrastructure		
6. Take initiative to merge Bridges & culvert & CCP components with other highly demanding components	PMU	June 2016
7. RCC panel should be constructed without expansion gap and should be constructed following alternative panel casting arrangement and joints should be properly filled up with sealing compound	PMU	June 2016
8. Always provide 'patta' finishing aligning with the drainage direction and made with fine textured (not more than 2mm corrugation); alternatively bristle based surface finishing can be adopted.	PMU	June 2016
9. Ensure proper treatment of culvert-abutment-base by awarding the culvert work along with 10m of slope protection work.	PMU	June 2016
10. For successful implementation of vetiver grass based bio-technological engineering measure which is very new to this country, arrange training program by involving relevant experts of the country particularly for giving training of trainee (ToT).	PMU	Immediately
11. Before selecting the vetiver sapling for plantation; its species need to be verified by the relevant expert.	PMU	Immediately
12. Nursery should be supplied with the specified sapling for propagation.	PMU	Immediately
13. In consideration of constructability as well as profitability of LCS group, review the proposed recommended slope protection measure using hexagonal blocks under CALIP.	PMU	June 2016
14. Revise AWPB rationally and planned in such a way that for the following two years at least 35% of project target is met per yr.	PMU	June 2016
15. To expedite the beel bank protection activity matching with the short window of working period particularly in deep haor setting, as a piloting work the mechanized method of excavation can be explored	PMU	June 2016

16. To ensure the availability of adequate excavated materials that would be needed for the development of model villages & killas and beel bank protection activities, there is a need for close coordination with the BIWTA and BWD initiated beel dredging programs.	PMU	June 2016
Component 3 – Community Resource Management		
17. Secure the transfer of the remaining 46 beel leases	PMU/DMU/UMU	June 2017
18. Ensure minimum of 3 year lease for future MoUs	PMU	June 2017
19. Expedite khal and beel re-excavation works	DMU/UMU	Starting next season
20. Expedite training of BMCs	DMU/UMU	Immediately
Component 4: Livelihood Protection		
21. Identify and enlist the successful products promoted and the associated business promotion models to replicate in phase 2	PMU/DMU/UMU	June 2016
22. Prepare household typology by year-round income portfolio to target households in a more comprehensive way to promote different subsectors/products that best suit them and address livelihood vulnerability – for phase 2.	PMU/DMU/UMU	August 2016
23. Collaborate with large private sector agri input company to extend their field presence in targeted areas through dealer/retailer network making an inclusive value chain development.	DMU/UMU	Start immediately
24. Develop a gender strategy that reflects and responds to the context – sector specific supports may target only men or women or both but should be based on contextual evidences of success.	PMU	July 2016
25. Develop a business model to address the irrigation problem for field crop in suitable areas.	PMU/DMU/UMU	July 2016
26. Develop and include a basic household financial management session in all technical sessions for sustainable economic growth for them.	PMU	August 2016
27. Include a basic cash-flow management session in the training curriculum for LCS members	PMU	August 2016
28. Project to continue to monitor and provide technical support to aquaculture CIGs for three production cycles	PMU/DMU/UMU	Immediately
29. Shift PMU oversight of fisheries activities in Component 4 to the Fisheries expert.	PMU	Immediately
30. WorldFish to develop a Concept Note for pond culture of small fish (Mola)	WorldFish	August 2016
Component 5 - Capacity and knowledge for building resilience		
31. Ensure closer collaboration between Components 2 (village protection infrastructure and beel bank protection), 3 (beel demarcation) and 4 (vetiver nurseries establishment) to maximize synergies in the benefits for targeted communities.	PMU	July 2016
32. Develop a criteria for selection of participants that qualify for support to raise start-up capital or receive start-up kits	PMU/DMU/UMU	July 2016

33. Identify trainers for the additional courses aimed at benefiting more women and establish training duration	PMU	October 2016
34. Develop the KM strategy and plan for the effective monitoring of infrastructure performance incorporating the mapping of sites	PMU	November 2016
35. Identify resource person and conduct climate change and gender workshops including a knowledge product	PMU	May 2017
36. Organize periodic training and experience sharing sessions for the CDFs	PMU/DMU	December 2016
37. Ensure consistency in measuring and reporting of results and verify inputs from District teams	PMU	Ongoing
Project Management		
38. Submit a proposal for budget reallocation and target revision as soon as possible, and submit for IFAD validation.	PMU	June 2016
39. Undertake a review and assessment of roles, responsibilities, work plans and work loads of each staff	PMU	June 2016
40. Finalize recruitment of consulting firm for HILIP MTR outcome survey and CALIP baseline study	PMU/M&E unit	June 2016
41. Share the first draft of HILIP MTR outcome survey and CALIP baseline study prior to their finalization	PMU/M&E unit	August 2016
42. Mapping of project interventions	PMU/M&E unit	Immediate
43. Improve M&E action plan (specific activities and timeframe)	PMU/M&E unit	Immediate
44. Revise the RIM 1st and 2nd level indicators	PMU/M&E unit	Immediate
45. Conduct household Annual Outcome Survey as a practice	PMU/M&E unit	From 2017 and yearly
46. Make short video presentation on key project performance and successful cases	PMU/M&E unit/Gender	September 2016
47. Regularly update IFADAsia to make project documents accessible on IFADAsia	PMU/M&E unit	Immediate
48. Organize workshop on gender-sensitive climate change and knowledge management	PMU/gender advisor/M&E unit	December 2016
Fiduciary Aspects		
49. Preparation of an action plan on the operationalization of TOMPRO including the completion of the prior years' data Excel worksheets, the input of all current year transactions, the thorough verification of data entry and the implementation of the unused features (WA preparation, budget monitoring, bank reconciliations, and fixed assets management).	FMS	05/06/16

50. Recruitment of a private accounting firm to assist the FMS in implementing the TOMPRO action plan	PD	30/06/16
51. Instruction for DMU Finance Assistants to use the software on a daily basis and as their main accounting and financial management tool; evaluation of DMU FAs' workload to determine need to recruit additional finance staff or temporary assistance at DMU level	FMS	30/06/16
52. Preparation of voucher (with analytical coding) and approval by FMS prior to inputting transactions in TOMPRO	FMS	Continuous
53. Filing of accounting documents chronologically by voucher number (rather than by subject)	FMS/FA	Continuous
54. Provision of input to IFAD FM consultant for finalization of the financial and administrative procedures manual	PD / FMS	31/05/16
55. Submission by DMUs of complete monthly financial returns to PMU, including detailed expenditure statement, complete supporting documentation, funds flow statement/reconciliation, bank reconciliation/statement/ledger, AWPB execution and analysis of variances, schedule of advances with ageing and cash forecast. Verification by PMU materialized by FA and FMS signature/date	DMU FAs FMS/FA	Continuous
56. Monthly verification of accounts as prescribed in the procedures manual (including detailed verification of DMU financial returns)	PMU Finance Unit	Continuous
57. Preparation of a complete monthly financial report including analyses of disbursement rates by expense category, AWPB execution, cash situation/forecast, uncleared advances, implementing partners' financial situation, procurement plan execution and any salient administrative matters	FMS	Continuous
58. Revision of allocation of duties in the PMU Finance Unit, using the procedures manual as a guide to revise finance staff TORs (objective is to rationalize the allocation of duties and ensure proper segregation of duties)	FMS	15/06/16
59. Revision of FMS TORs (with focus on supervising the PMU and DMUs finance staff, 'high-level' reviews, analytical tasks, and financial reporting) and extension of FMS contract until project completion	PD	15/10/16
60. Revision of finance staff salaries during the funds reallocation process (ensuring alignment with other IFAD-funded projects)	PD (IFAD)	01/07/16
61. AWPB: a. Acceleration of 2016-17 AWPB preparation, including full documentation of unit cost bases/assumptions b. Preparation of district-level AWPBs, the execution of which is to be monitored by the DPCs/FAs c. Input of AWPB in TOMPRO with funding source, category, component, activity code and district	PPIS PPIS FMS/FAs	15/06/16 15/06/16 15/07/16
62. Implement an efficient budget monitoring system at PMU and DMUs, with a monthly budget-to-actual statement generated from TOMPRO, and analyses of budget variances during a monthly budget review meeting chaired by the Project Director, with the participation of the FMS, M&E Officer and all component heads for the PMU and the DPC, FA and technical staff at DMU level	PD/FMS DPC/FA	Continuous
63. Preparation of half-yearly cash forecasts with monthly updates, at PMU and DMU levels	FMS/DMU FAs	Continuous
64. Preparation of bank reconciliations for all accounts promptly after month-end, using TOMPRO; reallocation of duties to ensure reconciliations are not prepared by the accountant responsible for recording transactions	FMS / FAs	Continuous

65. Implementation of a reliable monitoring system for the payment, clearance and ageing of all advances; action to be taken on old outstanding advances (cancellation of contract or activity, refund of the advance, deduction from staff salary, etc.)	FMS	01/07/16
66. Recording of all IPs transactions (payment of advances and financial returns) in TOMPRO. Verification of financial returns submitted by IPs and liaison with component heads to ensure alignment of physical progress and financial execution	FMS	Continuous
67. Forecast of expenditure by component and by fiscal year until project closure and proposal for reallocation of project funds by category for submission to IFAD through ERD	PD	Immediate
68. Withdrawal applications: a. Submission of complete documentation in support of claims by DMUs on a monthly basis to PMU b. Preparation of a monthly justification WA by PMU using TOMPRO and prompt submission to IFAD c. Indication of full description and payment/voucher reference for each individual expenditure claimed in the WAs d. Verification of each expenditure claimed against the bank statement to ensure actual disbursement (for PMU and DMUs) e. Filing of original supporting documents for expenditure made by the project	FMS	Continuous
69. Decision on acceptability of honoraria paid to project staff (for participation in training and site visits) as eligible expenditure	IFAD	Immediate
70. Reimbursement of any ineligible expenditure from audit and SOE review	GoB	Immediate
71. Generation of contract registers from TOMPRO, showing individual LCS contracts (rather than grouping them in packages)	FMS/FAs	Continuous
72. Submission of contract registers on a monthly basis by DMUs to PMU and PMU to IFAD	FMS/FAs	Continuous
73. Preparation of contract monitoring forms for each contract, including full contract amount, anticipated payment schedule and calculation of balance due after each payment. Submission of updated CMFs to PMU by DMUs each month (soft copies)	FAs (DMU and PMU)	Continuous
74. Preparation of DA reconciliations for HILIP (consolidated) and CALIP on a monthly basis with explanation/justification of all differences	FMS	Continuous
75. Performance evaluation process: a. Modification of the evaluation form to include staff signature and room for staff comments. b. Half-yearly evaluation of all staff including consultants; c. Setting of objectives to all staff for each new fiscal year based on the staff TORs and the AWPB	PD	15/06/16 Continuous 01/07 yearly
76. Contracting of group accident and health insurance policy for staff	FMS	01/07/16
77. Project assets: a. Contracting of insurance policy for all project assets including vehicles b. Management of assets using TOMPRO c. Physical inventory of assets as per procedures described in the manual at PMU and DMUs	FMS, FA and Admin Officer	01/07/16 01/08/16 30/06 yearly

78. Daily backup of key files (particularly accounting data) on an external device, with offsite storage	FMS	Continuous
79. Preparation by the PMU and inclusion in the 2015-16 audit report of the DA reconciliation, statement of WAs, budget-to-actual comparison, cumulative status of funds and statement of fixed assets	FMS FAPAD	31/12/16
80. Recruitment of a private audit firm to perform the internal audit function	PD/FMS	31/07/16
81. Implementation of outstanding recommendations from the previous mission	FMS	ASAP
Procurement		
82. Prepare and submit a detailed PP for 2016/2017 which facilitate revision, updates, monitoring and reporting	PMU/DPMU's	30 June 2016
83. Reconcile the contract registers with the progress reports and ensure all data is accurate and identify procurement of civil works undertaken through e-procurement.	PMU/DPMU's	30 June 2016
84. Independent Audit of all offline tenders for civil works and goods.	PMU/DPMU's /IFAD	31 December 2016
85. Identify and select a procurement consultant (on retainer) to support the PMU for consultancy services	PMU	30 June 2016
86. Revise the LTB's prior review requirement and threshold for procurement of civil works, good and consulting services	IFAD	30 June 2016
87. Review and ensure performance guarantees are extended for all going and uncompleted contracts (civil works off-line tenders/bids) in case of time extensions or delays	PMU/IFAD	30 June 2016
88. Improve progress report monitoring of LCS contracts by each contracts rather than a cluster of contracts	PMU/DPMU's	30 June 2016
89. Ensure all tenders files for offline tenders for civil works and goods are available and ready for the independent audit.	PMU/DPMU's	30 August 2016

Appendix 4: Physical progress measured against AWP&B (As of April 2016)

No.	Outputs by component	Unit	Appraisal Target (Total DPP)	Annual			Cumulative		Remarks
				AWPB Target (July 2015- June 2016)	Annual Progress		Cumulative Progress		
					Progress (July 2015- April 2016))	%	Progress (July 2012 - April 2016)	%	
Component 1: Communication Infrastructure									
HILIP									
1	Upazila Road constructed	km	100	12	16	100%	60	60%	
2	Union Road Constructed	km	150	30	33	100%	93	62%	
3	Bridge/culvert on Upazila Road	m	700	270	13	5%	221	31%	
4	Bridge/culvert on Union Road	m	1050	360	40	11%	355	34%	
5	Bridge/culvert on Community Rd	m	1600	300	40	13%	354	22%	
6	Bridge /culvert in Sunamganj District	m	700	0	0	0%	700	100%	
7	Boat landing Ghat	m	50	15	7	47%	24	48%	
8	Minor earthwork/road alignment work undertaken	Km	250	27	0	0%	0	0%	
9	Training Provided to Contractor on PPR/Con. Quality	no.	40	12	0	0%	15	37%	
10	Supervision and monitoring Undertaken by IMC	no.	1208	441	218	49%	543	45%	

11	Infrastructure maintenance	km	560	20	0	0	0	0%	
Component 2: Community Infrastructure									
HILIP									
1	Community Road Construction	km	350	98	52	53%	159	45%	
2	Development of Village Market	no.	78	30	12	40%	33	42%	
3	Market Collection Centre	no.	90	15	1	7%	1	1%	
4	Village Protection Works	no.	78	35	15	43%	44	56%	
5	Market Protection Works	no.	52	20	12	60%	13	25%	
6	Irrigation infrastructure	No.	26	10	0	0%	0	0%	
7	Minor Earthwork/Road alignment	km	403	75	0	0%	0	0%	
8	Pilot Innovative Infrastructure	no.	15	0	0	0%	0	0%	
9	Training provided to LCS	no.	1970	727	159	22%	886	45%	
10	Supervision and monitoring undertaken by IMC	No.	1115	408	150	37%	581	52%	
11	Exchange visit for Union Parishad	No.	147	25	10	40%	37	25%	
12	Infrastructure Maintenance	km	800	20	0	0%	0	0%	
CALIP									
1	Village Protection Infrastructure	no.	224	48	18	37%	23	10%	
2	Village Internal Service Developed	no.	168	48	35	73%	38	23%	
3	Model Village Developed	no.	5	1	0	0%	0	0%	
4	Beel Bank Protection Work	no.	50	18	0	0%	0	0%	
5	Killa Protection Work	no	20	12	1	8%	5	25%	
6	Road Slope Protection Work	no.	50	20	2	10%	7	14%	
7	Training Provided to LCS Members	no.	542	159	113	21%	135	25%	

Component 3: Community Resource Management									
HILIP									
1	Beel Transferred for Development	no	500	N/A	48		383	77%	
2	Beel Developed (Excavation)	no.	305	45	0	0%	11	4%	
3	Khal/canal Re-excavation	km	100	30	8	27%	27	27%	
4	LCS (Group) Trained	no.	1530	125	24	19%	98	6%	
5	Swamp tree planted	no.	213500	30000	7800	26%	16000	7%	
6	Union brought under Support Services	no.	168	15	15	100%	50	30%	
7	BUG (Group) Formed	Group	500	N/A	48		383	77%	
8	BUG (Group) Trained	Group	100	25	24	96%	33	33%	
9	Internal Audit of BUGs	no.	975	115	0	0%	0	0%	
10	Legal Service provided	no.	20	5	8	100%	8	40%	
11	Third Party Monitoring Done	no.	5	1	1	100%	2	40%	
12	Dissemination workshop arranged	no.	50	15	3	20%	7	14%	
13	Promotional Materials Developed	no.	8	1	1	100%	2	25%	
Component 4: Livelihoods Protection									
HILIP (Target for 4 years)									
1	CIG Group Formation	Group	1890	0	0	0%	1890	100%	
2	Demonstration (Plot):								
3	Crop/Horticulture Demonstration Done	no.	462	88	82	93%	456	99%	
4	Demonstration on Poultry and Livestock Done	no.	643	354	176	53%	465	72%	
5	Fishery Demonstration Done	no.	168	61	24	39%	131	78%	
	Demo based training:								25 person/batch

6	Demo based Training (Crops & Hort.) held	Batch	462	88	81	92%	455	98%	
7	Demo based Training (Poultry & Lives.) held	Batch	762	354	266	81%	664	88%	
8	Demo based Training (Fisheries) held	Batch	168	61	46	75%	153	91%	
9	Other livelihood Training	Batch	658	485	165	38%	459	59%	
10	Exchange Visit	Batch	144	112	44	42%	76	31%	
	Other Activities:								
11	Vaccination, De- worming of cattle done	no.	28000	0	0		37137	100%	
12	Artificial Insemination	no.	2900	1500	30	2%	1575	54%	
13	Innovative Employment/business creation (Training)	Person	420	261	50	19%	209	50%	
14	Activities to build awareness on social issues conducted	Event	128	73	33	45%	88	69%	
15	People Awarded for Best Practices	Person	225	140	0	0%	85	38%	
16	Training of Para vats	Person	360	150	30	20%	240	67%	
CALIP									
1	Village Forestry:								20 person/batch
2	Training for Bamboo production activities	Batch	1680	280	98	35%	98	6%	
3	Training for Murta production activities	Batch	1680	280	76	27%	76	4%	
4	Training for Hizal/Karos production	Batch	252	42	8	19%	8	3%	
5	Training for Vetiver production	Batch	1680	280	53	19%	53	3%	
6	Training for Medicinal Plant production	Batch	420	42	7	17%	7	2%	
	Pond Fisheries Sector:								20 person/batch
7	Training of Pond Fisheries Farmers	Batch	252	28	3	11%	64	25%	

8	Training for Cane products	no.	140						
9	Exchange visit to hatchery	no.	126	28	1	3%	1	1%	
	Improved Wood/Bamboo/Cane Sector:								
10	Training for wood products	no.	42	5	3	60%	3	7%	
11	Training for bamboo products	no.	84	10	9	90%	9	11%	
12	Training for Cane products	no.	70	5	4	80%	4	6%	
13	Training for Murta products	no	140	0	0	0%	0	0%	
14	Training for Clay/other products	no.	84	11	9	81%	9	11%	
	Vocational Training:								20 person/batch
15	Training on Diesel Engine/pump repair	Batch	21	5	1	20%	2	10%	
16	Training on Motor Cycle repair	Batch	21	5	0	0%	1	5%	
17	Training on Mobile Phone/Computer repair	Batch	21	5	0	0%	0	0%	
18	Training on Refrigerator repairing	Batch	30	5	0	0%	0	0%	
19	Training on House wiring/electrician	Batch	50	5	1	20%	1	2%	
20	Training on plumbing	Batch	40	5	0	0%	0	0%	
21	Training on welding	Batch	30	5	0	0%	0	0%	
22	Training on Tailoring	Batch	42	8	2	25%	3	7%	
23	Training on mason/concrete	batch	50	5	0	0%	0	0%	
24	Training on Carpenter	Batch	25	3	0	0%	0	0%	
25	Training on tiles and mosaic	Batch	50	3	0	0%	0	0%	
26	Training on Cook	Batch	25	5	0	0%	0	0%	
27	Others Training	Batch	145	2	0	0%	0	0%	
Component 5: Capacity and Knowledge for Building Resilience									
CALIP									
	Action Research:								
1	Climate change forecasting and participatory scenario development	no.	1	1	0	0%	0	0%	

2	Assessment of the agriculture and fisheries sector and exposure to climate risk	no.	1	1	0	0%	0	0%	
3	Analysis of the environment impacts of large scale expansion on pond fisheries and climate change affects	no.	1	1	0	0%	0	0%	
4	Examine the dynamics of reforestation at large scale level and strengthening ecological resilience	no.	1	1	0	0%	0	0%	
5	Value chain and ecological analysis on the commercialization of bamboo	no.	1	1	0	0%	0	0%	
	Capacity Building:								
6	Technical assistance to BMD by IWFM	no.	LS (5)	LS (1)	1	100%	1	20%-	
7	Fast computer system for BMD	no.	LS (1)	LS (1)	0	0%	0	0%	
8	Develop rainfall dissemination system for Hoar	no.	LS (1)	LS (1)	Partial	10%	Partial	10%	
9	Downscaling GRF forecasting in/c. computer system and technical assistance to BMD by IWFM	no.	LS (1)	LS (1)	0	0%	0	0%	
10	Develop FFEWS for haor region for IWFM	no.	LS (1)	LS (1)	Partial	15%	Partial	15%	
11	Training and KM by IWFM	no.	LS (5)	LS (1)	1	100%	1	20%	
12	Fist computer system for flood forecasting	no.	LS (1)	LS (1)	0	0%	0	0%	
13	Funds for development of FFEWS by IWM	no.	LS (5)	LS (1)	1	100%	1	20%	
14	Performance evaluation of FFEWS model and management cost	no.	LS (3)	LS	0	0%	0	0%	
15	Develop dissemination system of FFEWS for communities and institute	no.	LS (2)	LS	0	0%	0	0%	
16	International training of weather and FFV	no.	LS (2)	LS	0	0%	0	0%	

	Knowledge Management:								
17	Monitoring the performance of village protection, model village, Upazila road slope protection etc	no.	LS (2)	LS	0	0%	0	0%	
18	Pro-poor adoption pathways framework	no.	LS (1)	LS	0	0%	0	0%	
	Policy Dialogue:								
19	Workshop, seminars and International symposiums	no.	LS (10)	LS (6)	2	33%	3	30%	
Component 6: Project Management									
HILIP									
1	Transport procured								
2	4WD jeeps procured	no.	3	0	0	0%	2	67%	
3	Pickup procured	no.	10	0	0	0%	5	50%	
4	Speed boat procured	no.	4	0	0	0%	4	100%	
5	Country boat	no.	5	5	0	0%	0	0%	
6	Motorcycles procured	no.	105	0	0	0%	70	100%	
7	Bicycle	no.	100	0	0	0%	100	100%	
	Computer and office furniture procured								
8	PMU equipped with computer and furniture	no/office	1	0	0	0%	1	100%	
9	DMU equipped with computers and furniture	no/office	5	0	0	0%	5	100%	In FY 2015-2016, 5 computers procured for 5 DMU.
10	UMU equipped with computers and furniture	no/office	14	0	0	0%	14	100%	
	Petrol and Lubricant								
11	Motorcycle (Resource Management)	no.	20	20	20	100%	20	100%	
12	Motorcycle (livelihood)	no.	155	85	85	100%	85	55%	
13	Vehicles 4 WD Jeep (class-2)	no.	4	2	2	100%	2	50%	
14	Pickup	no.	5	5	5	100%	5	100%	

15	Motorcycle (New Office)	no.	70	35	35	100%	35	50%	
16	Speed boat	no.	5	3	3	100%	3	60%	
17	Country Boat	no.	5	5	0	0%	0	0%	
	Financial Management Support								
18	Financial Management Support	no.	1	1	1	100%	1	100%	
	MIS/software support provided								
19	MIS/software support provided	no.	1	1	1	100%	1	100%	
	Survey and studies undertaken								
20	Baseline survey conducted	no.	1	0	0	0%	1	100%	
21	RIMS survey conducted	no.	2	0	0	0%	1	50%	
22	Gender mainstreaming study conducted	no.	3	1	0	0%	0	0%	EOI has Called
23	Mid-term impact assessment conducted	no.	1	1	0	0%	0	0%	EOI has Called
24	Project completion impact study conducted	no.	1	0	0	0%	0	0%	
25	Environment & other studies and surveys conducted	no.	1	0	0	0%	1	100%	
CALIP									
26	1) Village & Slope protection	no.	LS	1	0	0%	0	0%	
27	2) Model village development	no.	LS	1	0	0%	0	0%	
28	3) Value chain development	no.	LS	1	0	0%	0	0%	
29	4) Integration & action research	no.	LS	1	0		0		
30	5) project completion impact study conducted	no.	LS		0	0%	0	0%	
31	6) no. of baseline survey conducted	no.	LS	1	0	0%	0	0%	EOI has Called
32	7) survey for project mapping (HILIP/CALIP) conducted	no.	LS	1	0	0%	0	0%	EOI has Called
	Staff training and workshop undertaken								
33	Training conducted (batch)	Batch	20	9	1	10%	10	50%	
34	Participant attended in training	Person	-	105	5	5%	112		

35	District gender workshop arranged	no.	10	5	5	100%	10	100%	
36	National start-up/review workshop arranged	no.	1	0	0	0%	1	100%	
37	District start-up workshop arranged	no.	53	5	5	100%	20	40%	
38	Overseas training/study tour	no.	80	16	1	6%	4	5%	
39	Participants attend overseas training/study tour	Person	80	16	1	6%	4	5%	
	Project Orientation and Review (CALIP)								
40	National Start-up Workshop	no.	1	0	0	0%	1	100%	
41	Start-up and District Orientation Workshop	no.	5	0	0	0%	5	100%	
42	Staff orientation & Capacity Building	no.	5	1	0	0%	0	0%	
43	Gender Workshop	no.	10	5	0	0%	0	0%	
44	Annual review & Planning Workshop	no.	5	1	0	0%	0	0%	
	Project staff and TA recruited								
45	GOB regular staff included in PMU	Person	8	8	8	100%	8	100%	
46	TA consultants recruited for PMU	Person	11	2	2	100%	9	81%	
47	GOB contract staff recruited for PMU	Person	8	8	8	100%	8	100%	
48	GOB contracted staff recruited in DMU	Person	73	71	71	100%	73	100%	
49	GOB contracted staff recruited for UMU	Person	160	160	160	100%	160	100%	
50	GOB regular staff included from XEN office	Person	25	15	15	100%	25	100%	
51	GOB regular staff included from UZ LGED office	Person	40	4	4	100%	40	100%	
CALIP									
52	TA consultants recruited for PMU	no.	2	2	2	100%	2	100%	

	Staff travelling cost and allowance provided								
53	Travelling and other allowances provided to PMU	Person	8	8	8	100%	8	100%	
54	Travelling and other allowances provided to DMU	Person	40	40	40	100%	40	100%	
55	Travelling and other allowances provided to UMU	Person	112	112	112	100%	112	100%	
56	LGED Implementation Support								
57	Project office established and maintained								
58	PMU office established and maintained	no.	1	1	1	100%	1	100%	
59	District office established and maintained	no.	5	5	5	100%	5	100%	
60	Upazila office established and maintained	no.	14	14	14	100%	14	100%	
	Vehicles maintained								
61	4WD Jeeps maintained	no.	4	2	2	100%	2	50%	
62	Pickup maintained	no.	10	5	5	100%	5	50%	
63	Speedboat maintained	no.	5	5	5	100%	5	100%	
64	Country boat maintained	no.	5	0	0	0%	0	0%	
65	Motorcycle maintained	no.	245	245	245	100%	245	100%	
CALIP									
66	Petrol and Lubricant								
67	Motorcycle (Resource Management)	no.	20	20	0	0%	0	0%	
68	Motorcycle (livelihood)	no.	155	155	0	0%	0	0%	
69	Vehicles 4 WD Jeep (class-2)	no.	4	4	0	0%	0	0%	
70	Pickup	no.	10	5	0	0%	0	0%	
71	Motorcycle (New Office)	no.	70	70	0	0%	0	0%	
72	Speed Boat	no.	5	5	0	0%	0	0%	
73	Country Boat	no.	5	5	0	0%	0	0%	

	Project Office operating cost								
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Appendix 5: Financial: Actual financial performance by financier, component and disbursements by category at 11/05/16

Table 5A: Financial performance by financier

Financier	Appraisal (USD '000)	Disbursements* (USD '000)	Per cent disbursed**	Per cent disbursed per IFAD SOF
IFAD loan	55 000 000	24 468 644	44%	48.6%
IFAD grant	1 000 000	444 767	44%	48.6%
Spanish Trust Fund loan	30 000 000	14 856 307	50%	58.3%
ASAP Trust Fund grant	15 000 000	3 317 847	22%	23.6%
Government	32 000 000	11 138 586	35%	N/A
Total	133 000 000	54 226 151	41%	

* Disbursements (except Government) are per IFAD Historic Transaction reports (HTR), and include advances of funds

** Differences in % disbursed between Table 5A and Tables 5C are due to foreign exchange difference (SDR vs. USD and EUR).

Table 5B: Financial performance by financier by component (USD '000)

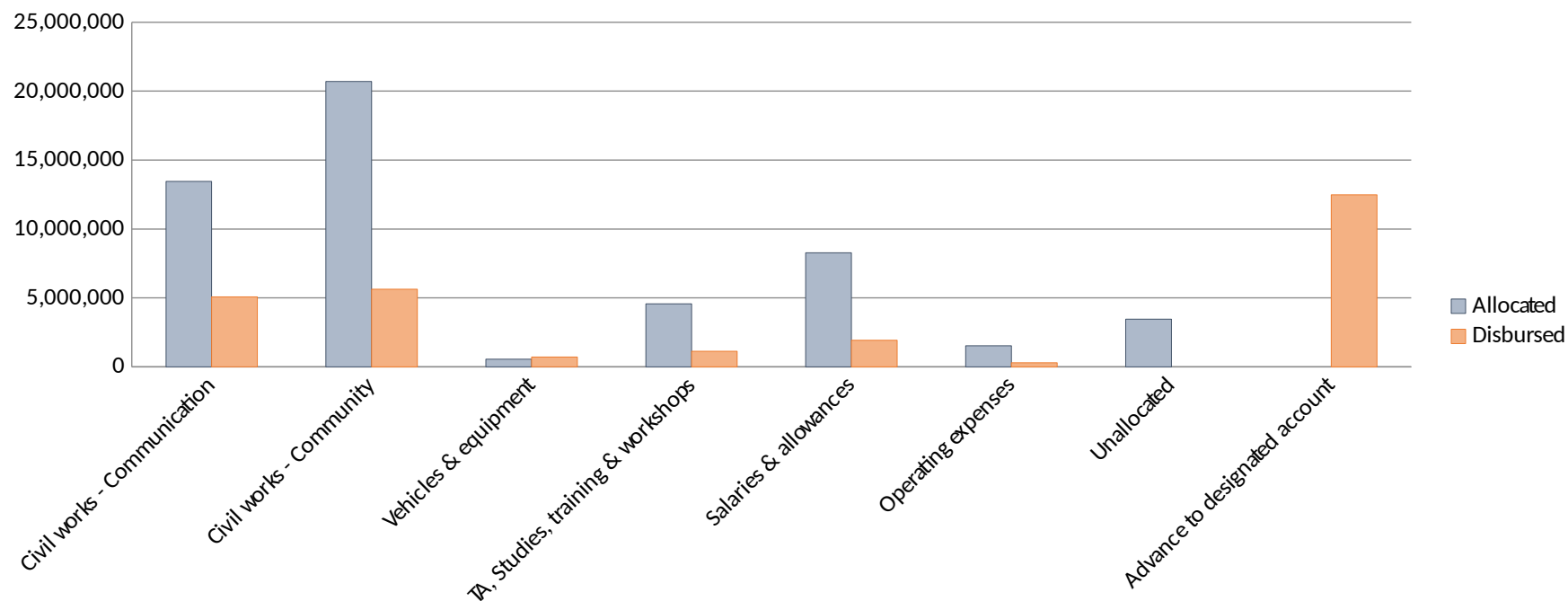
Component	IFAD loan			IFAD grant			STF loan			ASAP grant			Government			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%

NOTE: Table 5B could not be completed, as the expenditure data by component provided by the PMU (generated from its manual accounting systems) are not reliable and could not be verified.

Table 5C-1: IFAD-managed disbursements - HILIP (SDR, as at 11/05/16) - EUR/SDR average exchange rate: 0.81515

DESCRIPTION	CAT #	IFAD LOAN				IFAD GRANT				SPANISH TRUST FUND LOAN			
		Allocated	Disbursed	%	Available balance	Allocated	Disbursed	%	Available balance	Allocated	Disbursed	%	Available balance
Civil works - Communication	1A	6 580 000	2 584 716	39%	3 995 284	0	0		0	6 871 715	2 487 776	36%	4 383 938
Civil works - Community	1B	10 130 000	2 821 226	28%	7 308 774	0	0		0	10 572 496	2 801 397	26%	7 771 098
Vehicles & equipment	2	560 000	713 117	127%	-153 117	0	0		0	0	0		0
TA, studies, training, workshops	3	3 940 000	1 031 786	26%	2 908 214	630 000	95 698	15%	534 302	0	0		0
Salaries & allowances	4	8 270 000	1 925 168	23%	6 344 832	0	0		0	0	0		0
Operating expenses	5	1 520 000	291 019	19%	1 228 981	0	0		0	0	0		0
Unallocated		3 450 000	0	0%	3 450 000	0	0		0	0	0		0
Advance to designated account		0	7 386 285	-	-7 386 285	0	210 470	-	-210 470	0	4 889 436	-	-4 889 436
TOTAL		34 450 000	16 753 317	49%	17 696 683	630 000	306 168	49%	323 832	17 444 210	10 178 609	58%	7 265 601

Figure 1: Consolidated IFAD-managed disbursements, comparisons between original allocation and actual disbursement



Bangladesh

Haor Infrastructure and Livelihood Improvement Project (HILIP)/ Climate Adaptation and Livelihood Protection (CALIP)

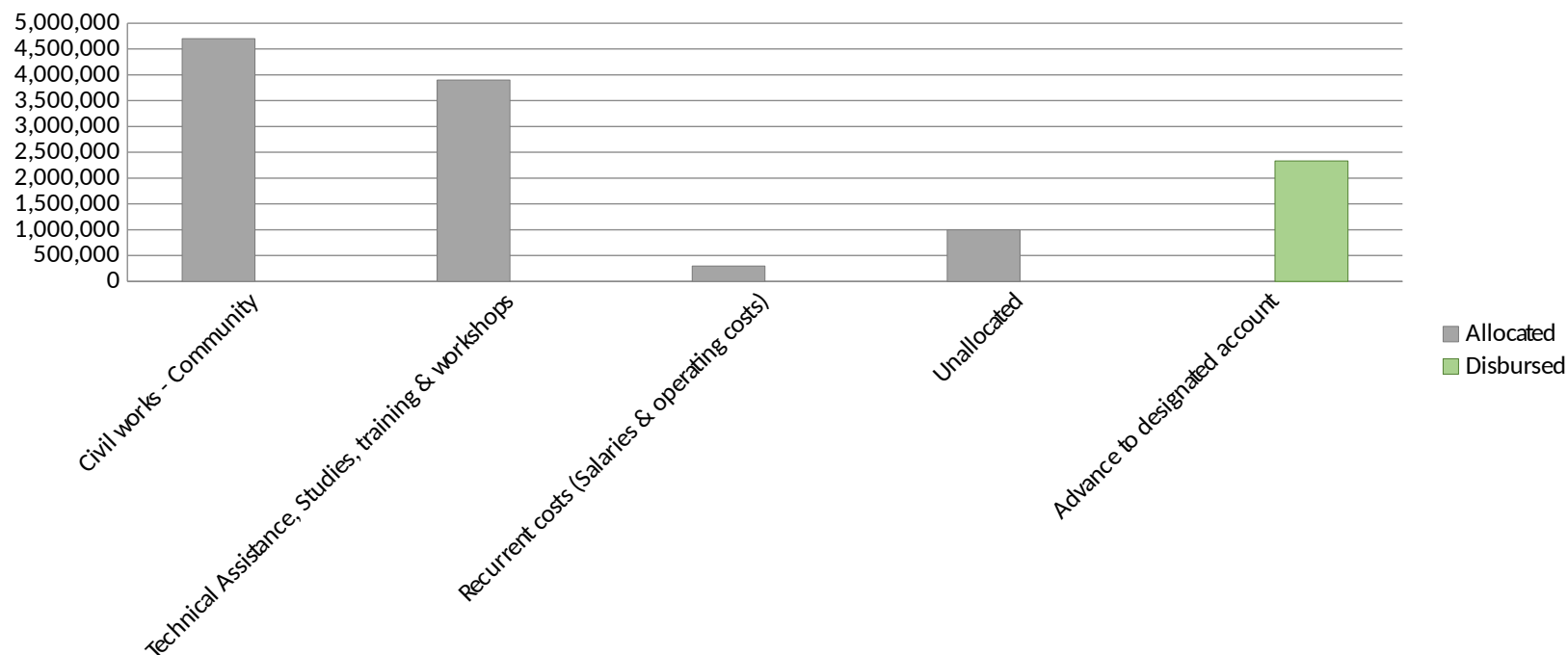
Mid-Term Review report - Mission dates: 13 – 27 May 2016

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5C-2: ASAP grant disbursements - CALIP (SDR, as at 11/05/16)

DESCRIPTION	CAT #	Allocated	Disbursed	%	Available balance
Civil works - Community	1B	4 700 000	0	0%	4 700 000
Technical Assistance, Studies, training & workshops	3	3 900 000	0	0%	3 900 000
Recurrent costs (Salaries & operating costs)	4	300 000	0	0%	300 000
Unallocated		1 000 000	0	0%	1 000 000
Advance to designated account		0	2 334 696	-	-2 334 696
TOTAL		9 900 000	2 334 696	24%	7 565 304

Figure 2: ASAP grant disbursements, comparisons between original allocation and actual disbursement



Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
Section B.8 Section B.3 CALIP	Borrower/Recipient to open four designated accounts in USD for the IFAD loan, IFAD grant, and ASAP grant, and in EUR for the Spanish Trust Fund (STF) loan		Complied	Accounts held at the Bangladesh Bank (central bank)
Section B.9 Section B.4 CALIP	Borrower/Recipient to open (i) 1 project account in BDT to receive and hold financing transferred from the 3 HILIP designated accounts, (ii) 1 project account in BDT to receive and hold financing transferred from the ASAP designated account and (iii) 10 district project accounts (2 in each of the 5 Haor districts in the project area)	Conditions precedent to withdrawal	Complied	Single project account held at Janata Bank, operated by the Project Director (as is the practice in Bangladesh government)
Section B.5 CALIP GC Section 11.01	Exemption from duties and taxes for all goods, works and services financed from IFAD, STF or ASAP	Continuous	Complied	
Section B.10	Borrower/Recipient to provide counterpart financing in the amount of USD 32 million	Continuous	On-going	Counterpart financing in the form of tax exemption and co-financing of expenditure in categories 1, 2 and 5 (see aide-memoire)
Schedule 1 – II.14	Project Implementation Manual to be drafted and submitted to IFAD for approval	At start of project	Partially complied	Financial, administrative and accounting procedures manual drafted, still being finalized (see aide-memoire)
GC Section 7.01(b)	AWPB to be submitted to the Fund, for its review and comments	30 April 2016	Not complied	Fiscal year 2016-17 AWPB not yet submitted (as of 26/05/16)
GC Section 7.08	Insurance of goods and buildings financed from the financing proceeds in a manner consistent with sound commercial practice	Throughout project life	Not complied	No insurance for project assets, including vehicles
GC Section 7.11	Insurance of project personnel against health and accident risks	Throughout project life	Not complied	
GC Section 8.03(b)	A Mid-Term Review (MTR) to be carried out jointly by the Borrower/Recipient and IFAD.	By 30/09/2016	Complied	MTR conducted from 12 to 27 May 2016
GC Section 9.02	Project financial statements (PFS) submitted to IFAD	31 October 2016	Not yet due	PFS to be submitted to FAPAD (Bangladesh SAI) by 15 August 16
GC Section 9.03	Audit report submitted to IFAD	31 December 2015	Complied	

Appendix 7: Knowledge management: Learning and Innovation

Learning: What has worked particularly well in this project during this period? What have been the reasons for this?

- The project has successfully piloted an approach of combining infrastructure with market-oriented facilitation and livelihood improvement for poor farmer households.
- CIG members who received the financial/input support from the project act as role models and community resource persons in disseminating knowledge and providing demonstration/training to other members.
- Adoption and extension of new technology and knowledge is proven once the empirical results (improved production, income and profitability) are shown. Other CIG members follow demonstration of pond fisheries, vegetable cultivation, duckling, poultry farming, sheep rearing etc.), and invest their own saving or revolving fund mechanism.
- Participatory development process through grassroots institutions (LCS, BUGs, CIGs) is found effective and accounts for ownership and accountability.
- The project does not only target poor people in remote area, but also includes ethnic minorities, such as a Garo community in Netrokona district. The mission had a discussion among indigenous women in Sunamganj.

Learning: What has not worked so well? What have been the reasons?

- Although the project comes to the midterm stage, there are a number of activities have not yet commenced due to the change of market demand and the difficulty of implementation.
- Staff team building including accountability and ownership needs to be strengthened. The linkage between all components is crucial.
- Vocational trainings may need to be revised to assess the market demand. For example, the demand of handicraft production from cane seems decreasing due to high price, time consuming and other competitive products.

Innovation: Describe any interesting innovation noted during supervision

- Considering this as a critical gender issue, HILIP makes a provision for a separate women market section in some markets to ensure an opportunity for females traders including disadvantage and indigenous women women entrepreneurs and traders. In addition, child care facility is built for women LCS during construction period.
- HILIP gives an emphasis on a number of new agricultural technologies through demonstration such as vegetable nursery, pheromone traps, hybrid varieties, crop specific cultivation methods and small indigenous species including Mola in polyculture system. Furthermore, CALIP is scaling up a number of successful innovations piloted under IFAD's Sunamganj Community Resource Management Project (SCBRMP).

Innovation: How might this be replicated by others, or up-scaled here?

- INAFI Bangladesh and PROCASUR organised a Learning Route on the introduction and substantial extension of vegetable cultivation in the fallow land of deep Haor region to disseminate best practices and support their up-scaling across the IFAD portfolio.
- The integrated intervention through combining infrastructure with livelihood improvement has been widely applied throughout the local management systems.
- A separate women market and child care facilities along construction sites for women could be scaled up in LGED projects as well as other IFAD projects.
- Many case studies with a specific focus on gender are published on the LGED HILIP website as well as IFADAsia for scaling up and replication by others.

Appendix 8: Compliance with previous mission recommendations

Agreed action	Responsibility	Agreed date	Status
Component 1 - Communication Infrastructure			
Take coordinated efforts to complete construction as much as possible during the winter season. Implementation period may be extended up to a reasonable part to following working season	PMU/DMU/UMU	As per actual construction progress	<i>Complying.</i> Most of the construction work is done before monsoon.
Revise AWPB rationally and based on previous three years performance; plan in such a way that for the following two years at least 25% of project target is met per yr.	PMU	June 2016	RAWPB '15 – 16 and AWPB '16 – 17 are prepared accordingly.
Take initiative to control of heavily loaded trucks on Haor submersible roads in collaboration with district administration, Upazila and union Parishad as well as by exploring the possibility of installing access control gate	PMU/DMU/UMU	Immediately	Local administration still could not come up to a decision due to non agreement with the beneficiaries on this issue.
Take initiative to expedite construction of boat landing platform	PMU	Immediately	26 (52%) completed out of 50 as of April 2016. Remaining will be done in the coming years.
For successful implementation of vetiver grass based bio-technological engineering measure which is very new to this country, arrange training program by involving relevant experts of the country particularly for giving training of trainee (ToT); get vetting of a few implemented sites by vetiver experts	PMU	Immediately	ToT for 60 participants from BFRl completed. ToT from BUET will be arranged by June 16. A letter has been sent to BUET.
Component 2 – Community Infrastructure			
Change of Tubewell Color	PMU	Immediately	Complying: Color Changed
For village internal road need to adopt condition responsive design	PMU	Immediately	Complying: Design Changed
Make obstruction free drainage in Fish shed	PMU	Immediately	Complying: Necessary action taken
RCC panel should be constructed without expansion gap; always provide 'patta' finishing in longitudinal direction; adoption of alternative panel construction approach; placement of short reinforcement on top of the long reinforcement	PMU	Immediately	Complied
In the toilet, pan should be placed in appropriate location by decreasing negative space; ensure use of transparent cover sheet; need to provide a few hooks and a washing/cleaning brush	PMU	Immediately	Complied Panel construction without expansion joint is awaiting from LGED's final decision.
Construction of honeycomb free solid steps for Boat Landing Ghat	PMU	Immediately	Complying
Component 3 – Community Resource Management			

Request identification of 7 new beels (SCBRMP silted beels)	PMU/DMU/UMU	Immediately	Complied : Identified 7 new beels and applied to the Ministry for MoU.
Transfer remaining 46 beels to HILIP	PMU/DMU/UMU	Dec 2016	Complying: Remaining 39 beels are under process to transfer to LGED.
Expedite khal and beel re-excavations works	DMU/UMU	Immediately	Complying: Approved re-excavation 42 beels and 48km Khals.
Strengthen fisheries trainings with support from WorldFish	DMU/UMU	Immediately	Complying : Received a proposal from WorldFish on 9 th May 2016.
Component 4 – Livelihood Protection			
Mapping of most suitable field crops in the targeted Upazilas	PMU/DMU/UMU	February 2016	Complied: Cropping map prepared based on Agro Economic Zone (AEZ), market survey & local requirement.
Identify key bottleneck of the selected product in each target areas	PMU/DMU/UMU	April 2016	Complied: 12,Bottlenecks Identified with the help of DAE, DLS, SO, CDF and local progressive farmers
Engage private sector agri input company/representative/dealer in field demonstrations	DMU/UMU	Start immediately	Complied: Developed linkage with Agri-input company/ representative/ dealer.
Improve the selection process of demonstration farmers through incorporating cost-sharing model	DMU/UMU	Start immediately	Complied: Cost sharing model is being practiced .For crop (10-43)%, Livestock (12-23)%, and fishery (15-30)% for small farmers
Revise curriculum for LCS member training and insert basic business management skills	PMU/DMU/UMU	Jan 2016	Complied: Revised curriculum through including of basic business management skills chapter.
Component 5 – Capacity and Knowledge for Building Resilience (CALIP)			
Improve targeting approach for improved product and vocational trainings	PMU/DMU/UMU	Ongoing	Targeting approach for products of demand driven trades have been undertaken.
Conduct market analysis and job opportunities surveys	PMU	February	Eol done. RfP expected to be

		2016	issued in June 2016.
Develop a strategy to ensure sustainability for livelihood protection activities	PMU/DMU/U MU	April 2016	Draft prepared
Develop a knowledge management plan	PMU	March 2016	KM plan yet to be developed. It should include identified partners, responsibilities, proposed products and timelines for delivery and dissemination
Signing of contract between IWM and BWDB	PMU/BWDB	December 2015	Executed on 01 March 2016
Conduct quarterly meetings for FFEWS partners	PMU/BUET/ BWDB/BMD	Ongoing	Ongoing
Project Management			
Finalise recruitment of consulting firm for Baseline and MTR Impact survey	PMU/M&E unit	January 2016	Baseline survey for HILIP has already been done. EoI was received and expected to start work in June 2016.
Conduct CALIP's baseline study and HILIP MTR impact survey	PMU	June 2016	CALIP baseline study and HILIP MTR impact survey planned in June 2016.
Mapping of project interventions	PMU/M&E	Immediate	A letter has been issued to GIS, LGED on 9 May 2016 to carryout this activity
Revise the current M&E action plan and develop specific work plan for 2015 including CALIP's intervention	PMU/M&E unit	Immediate	Done
Fiduciary Aspects			
1. Full implementation of TOMPRO based on a detailed action plan with a timetable: acquisition of computers for DMU Finance Assistants; temporary assistance at PMU and DMUs to allow Finance Assistants to devote enough time to TOMPRO implementation; preparation of Excel worksheet for transfer of prior years data; input of all contracts, budgets and current year transactions; introduction of transaction vouchers for coding of transaction prior to input into the system	FMS	31 Dec 15	Partially done: prior year data and some current year data still not input in the system. WA preparation, bank reconciliation and contract management features not yet operationalized. Vouchers are not used
2. Review of the organization of the Finance Unit and allocation of duties among the staff; development of an organogram and detailed TORs for each finance staff	FMS and PD	31 Dec 15	Not done

accordingly. Definition of objectives for each finance staff.			
3. Frequent and rigorous assessment of finance staff to inform MTR mission of their capacity to operate the TOMPRO software and to meet IFAD financial management requirements	FMS and PD	Every 2 months until June 16	Done only once in March 16 with focus on TOMPRO only (not a thorough assessment)
4. Monthly verification of accounts, including detailed verification of DMU monthly financial report (in accordance with procedures set out in the manual)	FMS	Continuous	Not done
5. Preparation of complete monthly financial reports including analyses of disbursement rates by expense category, AWPB execution, cash situation/forecast, implementing partners' financial situation, procurement plan execution and administrative matters	FMS	Continuous	Not done
6. Implementation of an efficient budget monitoring system: monthly budget-to-actual statement generated from TOMPRO, and analysis of variances during a monthly budget review meeting convened by the PD (with FMS, Procurement Specialist and component heads)	FMS / PD Component heads	Continuous	Not done (AWPB input in TOMPRO, but budget monitoring system not in place)
7. Preparation of consolidated half-yearly cash forecasts with monthly updates, based on DMUs cash forecasts	FMS	Continuous	Not done
8. Monitoring of advances through an ageing report in TOMPRO to ensure prompt justification/recovery of advances; verification of DMUs advances against disbursements made to LCS and staff (for training and demos)	FMS	Continuous	Not done
9. Submission of a proposal to minimize LCS advances and issue advances closer to the commencement of construction work	Project Director	15 Dec 15	Not done, proposal is to implement item #10 below
10. Examination of the possibility to allow the project to justify initial advances to LCS based on materials purchase rather than based on construction work completed	IFAD	15 Dec 15	Not done, will be implemented in new fiscal year according to PD
11. Preparation of contract register on TOMPRO (once all contracts are input) and transmission to IFAD on a monthly basis	FMS	Continuous	Not done (prior year contracts not yet input in the system)
12. Preparation of contract monitoring forms on Excel (and TOMPRO once all contracts are input)	FMS	Continuous	Done on Excel, not in TOMPRO
13. Submission of justification WAs to IFAD on a monthly basis, attaching contract monitoring forms as applicable	FMS	Continuous	Progress noted: two justification WAs prepared since Feb. 16
14. Withdrawal Applications: a) verification of all amounts claimed against DMU detailed schedules and bank statements; b) verification of payees against contractor name; c) attach copy of all checks as payment justification for SOEs	FMS	Continuous	Not done
15. Preparation of designated accounts reconciliations at the end of each month; investigation and clearance of all differences	FMS	Continuous	Not done (only when WAs are submitted)
16. Operation of all bank accounts based on a joint signature	Project Director	31 Jan 16	Not done. Single signatory is as per LGED/GoB rules

17. Preparation of bank reconciliations promptly after the end of each month for all accounts (for safe accounts, each time a statement is available); indication of date of preparation or review on the reconciliation	FMS	Continuous	Delays noted in preparation of bank reconciliations. Also, not signed by FMS as reviewer
18. Examination of the need to open additional project accounts (one for each designated account at PMU and DMUs)	MTR mission	30 June 16	Decision: produce monthly consolidated DA reconciliations
19. Completion of Procurement Specialist recruitment process	Project Director	31 Dec 15	Not done
20. Use of adequate procurement plan format and inclusion of items to be procured in the current year only Implementation of a monitoring system for PP execution, with explanation of cost variances and procurement delays	Procurement Specialist	31 Jan 16 Continuous	Not done Not done
21. Submission of final audit report to IFAD	Project Director	31 Dec 15	Done
22. Submission of fiscal year 2016-17 AWPB on time (AWPB must include documentation of assumptions and bases for unit costs)	Project Director	30 April 16	AWPB preparation is on-going
23. Submission of proposal for reassessment of salary scales for finance staff at PMU and DMU level	Project Director	30 June 16	Under consideration (not yet due)
24. Setting of annual objectives and conduct of face-to-face meetings as part of staff performance evaluation	Project Director	Continuous	No setting of objectives. Evaluations not done for staff under 'consultant' contracts (who represent most of the PMU professional staff) and DMUs
25. Contracting of accident/health insurance policy for project staff	Project Director	31 Jan 16	Not done
26. Monitoring of fixed assets in TOMPRO and annual physical inventories at PMU and DMUs using proper procedures	FMS	31 Dec 15	Not done
27. Contracting of insurance policy for project assets	Project Director	31 Jan 16	Not done
28. Implementation of all outstanding recommendations from the May 15 supervision mission	See Appendix 8	31 May 16 latest	About half of the May 15 recommendations have not been implemented to date

Appendix 9: Mission and Field Visit Schedules

Group 1: Mr Shamsul Hoque and (alternating) Paxina Chileshe, Wanaporn Yangyuentham and Nicolas Syed.

Group 2: Mr Khairul Islam and (alternating) Paxina Chileshe, Wanaporn Yangyuentham and Nicolas Syed.

Group 3: Mr Richard Abila (with World Fish representative)

Date	District	Upazila	Activity	Group
14-May	Netrokona	Kalmakanda	Borkhapon-Gutura Bazar road	Group 1
			Borkhapon -Jatrabari Bazar road	
			slope protection	
			slope protection	
			BMC Meeting of Meda Beel	Group 3
			Demonstration of Fish Polyculture	
			Vegetable extension	Group 2
			Innovative Employment creation	
15-May		Madan	Magan-Poder Kona road	Group 1
			Nayahati Village protection	
			Ghat at Kodom Sree Market	
		Khaliajury	BUG - Hoogradubi Beel	Group 3
			Demonstration of Monosex Tilapia culture	
		Kalmakanda	Sheep and Duck rearing	Group 2
	Pond Fisheries (Polyculture)			
	Bamboo Stick cuttings, Murta & Vetiver			
	Vegetable extension			
	Bamboo, jute products,vocational trades, and Para-vets			
Sadar	Advanced Improved Jute products training			
16-May	Kishoreganj	Nikli	Kamalpur village protection	Group 1
			Singpur to Vatiboratia Road	

			Nikli Bazar to Singpur Road	
		Austogram	Market protection at Bahadurpur Bazar	
			Village protection at Islampur village	
		Itna	LCS Profit distribution of Bogadubir Khal	Group 3
			BUG Meeting of Chailta and Mawra Beel	
			Bamboo Products trainer	
			Plant Nursery with swamp tree saplings	Group 2
			Vocational Trades of House wiring, Tailoring & Refrigerator mechanics	
			improved training on jute products	
			livestock medicine shop owned by Para vet & discussion with para-vets at Chowganga bazar	
			Broiler farming	
			sheep rearing activities	
17-May	Brahmanbaria	Sadar	Village Protection	Group 1
		Sarail	Barura bazar Road slope protection	
			Kalikachha Bazar	
		Nasirnagar	Nasirnnagar-Changamura Road	Group 3
			Shingogram Market Collection Center	
			BUG Meeting of Kukuria Khal Beel	
			Demonstration of Fish Poly culture	Group 2
			Mrs. Rumena's shop – an Innovative Employment for Business Creation activities	
			Visit Duck rearing extension activities by CIG members	
			Vetiver Plant Nursery	
			Swamp tree Nursery at Singogram	
		Fulpur	Sheep Rearing	
			Vegetable cultivation at farmers own cost	
		Nasirpur	BUG meeting at Nasirpur	
	Habigonj	Lakhai	Chikonpur village protection	Group 1
			Village Road	

			Village internal service at Mirpur village	
18-May		Baniachang	Baniachang GC- Paharpur GC road	Group 2
			Aliganj Bazar	
			Tree Nursery	
			Expansion of Latiraj Kachu (vegetable) by CIG and Non CIG Members	
			Sheep rearing activity by CIG members	
		Lakhai	Bitter gourd demonstration plot	
			Extended Broiler farming activities	
		Mondori	Duck rearing activities	Group 3
			Monosex Tilapia cultivation on revolving type demo activity (3rd term)	
		Shujatpur	BUG Meeting of Shangorvanga Beel	
19-May	Sunamganj	Derai	Meghna Baroghor Village Protection Wall	Group 1
			LCS Profit Distribution Program	
		Taherpur	Chandpur Village market and discussion with LCS members	Group 1
		Sadar	Visit to Mongalkata-Hasaura union road	Group 2
			Participate at the BUG Profit Distribution Program at UP Complex (with Group 3)	
			Visit Duck Farm Extension	
			Vetiver Plantation	
		Derai	Snake Gourd vegetable Demonstration in Fallow land	Group 2
			Broiler Rearing Demonstration at Rajanagar,	
			Bamboo Production Nursery	
			Swamp Tree NurseryDiscussion	
			Pond Poly Culture (with Group 2)	
			Observe Upazila BMC Election at UP Complex, Discussion with the BMC members at	
20-May	Chhattak	Vocational Training activity at Chattack TSC	All Groups	

Appendix 10: Audit log summary (page 1/2)

FY-2012-2013, 2013-14 and 2014-15

SL No.	Financial Year	Audit observations as per audit reports						Observations settled	Outstanding observations								Remarks	
		General		Advance		Total			General		Advance		DP		Total			
		Par a	Value (BDT)	Para	Value (BDT)	Par a	Value (BDT)	Par a	Value (BDT)	Par a	Value (BDT)	Par a	Value (BDT)	Para	Value (BDT)	Par a		Value (BDT)
1	2012-13	5	15 265 965	1	2 985 694	6	18 251 659	6	18 251 659	-	-	-	-	-	-	-	-	No unresolved audit observations as per FAPAD's letters of confirmation
2	2013-14	7	3 038 043	2	10 885 711	9	13 923 754	9	13 923 754			-	-				-	
3	2014-15	10	16 641 991	6	26 744 918	16	43 386 909	7	14 032 969	3	2 609 022	6	26 744 918			9	29 353 940	
	Total	22	34 945 999	9	40 616 323	31	75 562 322	22	46 208 382	3	2 609 022	6	26 744 918	0	0	9	29 353 940	

Appendix 10: Audit log detail (page 2/2)

Para No.	OBSERVATION DETAILS - FISCAL YEAR 2014-2015	Amount (BDT)	Status	Name of office	FAPAD letter date
PART-A					
1	Paid to contractor against a works contract even though the strength test report was unacceptable and useless	1 470 960	Outstanding	Brahmanbaria	Not yet settled
2	Works of RCC road construction completed without testing the concrete cylinder crushing strength of cement concrete	9 764 441	Outstanding	Brahmanbaria	Not yet settled
3	Paid to contractor without deducting the end-edging width from the measurement	1 372 617	Outstanding	Brahmanbaria	Not yet settled
4	Non-deduction of Income Tax & VAT from contractual staff payment	12 490 000	Outstanding	PMU Dhaka	Not yet settled
5	Payment made without execution of earth work	1 096 576	Outstanding	Kishoregonj	Not yet settled
6	Works done beyond specifications of drawing and design	550 324	Outstanding	Habigonj	Not yet settled
PART-B					
7	Income Tax not deducted from construction bill	418 017	Outstanding	Brahmanbaria	Not yet settled
8	LCS works quality below standard due to improper supervision and monitoring	6 750 458	Fully Settled	Brahmanbaria	3-May-16
9	Advance payment for travel not adjusted for a long period	336 150	Fully Settled	PMU Dhaka	3-May-16
10	Advance payment to LCS not adjusted for a long period	5 377 200	Fully Settled	Kishoregonj	3-May-16
11	Advance payment to staff for training event not adjusted for a long period	256 000	Fully Settled	Kishoregonj	3-May-16
12	Performance guarantee expired during contract period but not extended	697 000	Fully Settled	Sunamgonj	3-May-16
13	Excess payment to contractor due to calculation error	68 154	Outstanding	Sunamgonj	Not yet settled
14	Bank interest not been deposited into GoB treasury account	2 122 851	Outstanding	Brahmanbaria	Not yet settled
15	Collusive practice in procurement process	340 161	Fully Settled	Sunamgonj	3-May-16
16	Performance security not found	276 000	Fully Settled	Brahmanbaria	3-May-16
Total		43 386 909			

Appendix 11: Summary of implementation support provided by IFAD

#	Time	Descriptions/topics	Agencies/persons
1	18-19 July 2012	Start-up workshop Introduction into project logframe, AWPB and M&E	Mr. Thomas Rath, CPM, IFAD DR. Qibin HE, IFAD consultant Mr. Kajal Chakraborty FM Specialist, APR
2	1-6 December 2012	Revision of Logframe Results based AWPB Training on RIMS and M&E and related surveys	Dr Qibin HE, IFAD consultant
3	8 Jan. – 11 Feb. 2013	CALIP design mission	Mr. Dewan AQ.H. Alamgir, Team Leader Mr. Roshan Cooke, IFAD Regional Advisor Dr. Shamsul Hoque, Structure Engineer Ms. Sinora Chakma, Gender Specialist Mr. Gianluca Capaldo, Economist
4	27 April – 13 May 2013	Supervision Mission	Mr Peter Situ, Team Leader and M&E and Livelihood Protection Specialist Mr Md Abdul Ghani, Infrastructure Specialist, Mr GM Hashibul Alam, Country Programme Officer and Natural Resources Management Specialist, Ms Monica Romano, Gender and Institutions Specialist, Mr Edilberto C. Angeles, Financial Management Specialist,
5	10-30 April 2014	Financial Management Support	Mr Kajal Chakraborty
6	23 April-9 May 2014	Supervision Mission	Dewan A. H. Alamgir (Mission Leader) Edilberto C. Angeles (Financial Management Specialist), Dr. Md Abdul Ghani (Infrastructure Specialist), Sarah Hessel (M&E & KM Specialist and IFAD Programme Officer), Nicolas Syed (ACPO/IFAD) Dr Md Abdul Wahab (Fisheries and Natural Resources Management Specialist).
7	9-12 April 2015	Capacity building workshop	Boirard Hubert, Country Portfolio Manager Shankar Achutan Kutty, Procurement Specialist Virginia Cameron, Finance Officer & APR Team Leader, Controller's and Financial Services Division Nicolas Syed, Country Programme Officer
8	9 - 20 May 2015	Supervision Mission	Hubert Boirard, IFAD CPM and Mission Leader Virginia Cameron, IFAD Senior Finance Officer Anta Sow, Financial Management Specialist Sean Timings, Procurement Specialist Nicolas Syed, IFAD CPO for Bangladesh Wanaporn Yangyuentham, M&E, Gender and Targeting Specialist Paxina Chileshe, IFAD Climate Change Specialist Shamsul Hoque, Infrastructure Specialist Nazrul Islam, Fisheries and Natural Resources Management Specialist.

9	16 – 27 November 2015	Supervision Mission	Nicolas Syed, IFAD CPO and Mission leader Anta Sow, Financial Management Specialist Paxina Chileshe, IFAD Climate Change Specialist Shamsul Hoque, Infrastructure Specialist Khairul Islam, Value Chain Development Specialist
	12-27 May 2016	Mid-Term Review mission	Nicolas Syed, IFAD CPO and Mission leader Anta Sow, Financial Management Specialist Didarul Islam, Financial Management Specialist Shankar Kutty, Procurement Specialist Paxina Chileshe, IFAD Climate Change Specialist Wanaporn Yangyuentham, M&E, Gender and Targeting Specialist Shamsul Hoque, Infrastructure Specialist Khairul Islam, Value Chain Development Specialist Richard Abila, Fisheries Specialist

Annex 1- Review of the justification Withdrawal Applications and Verifications of SOEs (November 2015 to April 2016)

WA n°	Date of WA signature - Period covered	Amount	Prepared per IFAD instructions	Relevance / eligibility of expenditure	Exp. incurred in past 3 months	Expenditure recorded in correct category	Verification of support. documents	Comments
14A	31/10/15 - Period 01/06/14 to 31/10/15	USD 1 438 958.64	No (see general comments)	Yes	No	Yes	Yes	IFAD Loan
15A	06/03/16 - Period 01/11/15 to 29/02/16	USD 2 300 291.45		Yes	No	Yes	Yes	IFAD Loan
18A	18/04/16 - Period 01/03/16 to 31/03/16	USD 2 050 835.30		Yes	Yes	Yes	Yes	IFAD Loan
14C	31/10/15 - Period 01/06/14 to 31/10/15	EUR 783 615.52		Yes	No	Yes	Yes	STF Loan
15C	06/03/16 - Period 01/11/15 to 29/02/16	EUR 1 594 964.64		Yes	No	Yes	Yes	STF Loan
18C	18/04/16 - Period 01/03/16 to 31/03/16	EUR 1 534 443.30		Yes	Yes	Yes	Yes	STF Loan

NOTES AND OBSERVATIONS:

1. The above are all justification WAs submitted and processed by IFAD since November 2015. WAs # 13A/13C, WA #7B/8B, WAs# 16A/16C, are advance requests. WA #17A is a direct payment.
2. Selection of SOEs to test in each WA: 1 item in each category for each district and the PMU, due to the high volume and the fact that the verification process is very time-consuming (most documents are in Bangala, and the communication with the accounts staff is very difficult).
3. Verification of supporting documents: see table below.

GENERAL COMMENTS:

- The designated account is not reconciled, as there is only 1 project account for the 3 designated accounts, and the PMU was unable to provide justification for the reconciling differences.
- The summary of expenditure claimed by category does not separate between Form 101 and Form 102 claims, and does not indicate the category name.
- The WA checklist used by the PMU is outdated; the latest model should be adopted
- The SOE threshold is applied to the payment rather than the amount of the contract (as a result, Form 102 is used for payments on contracts ≥ USD 100 000)
- The transaction number from the manual cashbook (or check/bank advice number) is not shown on the WA/SOE, making it difficult to identify the items in the accounts and to trace them to the supporting documents
- The description of expenditure claimed in categories 3, 4 and 5 is too vague (no indication of places or dates, training subject, no reference to invoice numbers)
- The items selected for verification cannot be traced to the AWPB, as the AWPB is not segregated by district.
- A debit voucher (called bill form) with description of payment, amount, DPP economic code and beneficiary payment details (for bank advice) is prepared for each disbursement. However, bill forms are not prepared for salaries and bonuses.

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PMU

WA #	Cat. #	Item #	Description	Amount in BDT	Date	1	2	3	4	5	6	7	8	9	10	Comments or Exceptions noted
14A	3	4	Consultant salary Aug 15-advice 19	665 510.00	02/09/15	✓	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14A	4	6	Salary of LKSS staff for July 15	52 282.80	30/07/15	✓	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	i
14A	5	5	Advertisement bill of PMU office	32 603.00	30/08/15	✓	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	3	1	Workshop expenses of PD in Indonesia (rural transformation thru innovation)	138 756.00	04/11/15	✓	N/A	✓	✓	✓	✓	✓	✓	✓	✓	10: Office order (GO)
15A	4	36	TA bill of Habigonj DMU/UMU July-Nov 15	468 510.00	17/01/16	✓	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	
15A	5	24	Fuel bill of PMU office Aug-Oct 15	180 672.55	04/01/16	✓	N/A	N/A	N/A	✓	✓	✓	✓	✓	N/A	
18A	3	2	Training bill of E-GP of LGED HQ	266 296.00	02/03/16	✓	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	ii
18A	4	16	Salary of Sunamgonj DMU & UMU for Feb 16	1 174 276.00	23/03/16	✓	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	5	26	Electricity bill PMU office - Jan 16	34 584.94	28/03/16	✓	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	

- i. Income tax on LKSS support services was paid from the project (on GoB funds) even though there was no clause/provision in the contract agreement with LKSS.
- ii. Photocopy of supporting documents were attached to the voucher; originals of invoices, participants attendance sheet etc. are kept by the training institution and were not available for verification.

Netrokona

WA #	Cat. #	Item #	Description	Amount in BDT	Date	1	2	3	4	5	6	7	8	9	10	Comments or Exceptions noted
15A	1A	42	Improvement of Ballabpur-nagar UP RCC U drain at Khaliajuri UZ	750 000.00	25/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	1B	30	Improv. Joybangla bazar-Ghatua road at Modan UZ (LCS-05)	1 048 760.10	15/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	3	69	LCS training at Modan	218 475.00	28/02/16	X	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	i
15A	5	36	Motorcycle repair bill of UMU and DMU offices	116 522.00	14/01/16	X	N/A	N/A	N/A	✓	✓	✓	✓	✓	N/A	
18A	1A	5	Improv. of Barkhapon UP – Jatrabari bazar road at Kalmakanda ch.3350-4320m	500 000.00	10/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	1B	57	Improvement of Maghan to Poderkona road at Madan	832 500.00	13/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	3	18	LCS training at Khaliajuri (12 batch) UZ	511 860.00	29/03/16	X	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	li
15C	1A	8	Improvement of Gaglajor UP Shampur bazar khal road	750 000.00	15/12/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1B	21	Improv. Magan village protection wall at Modan UZ (LCS-02)	910 710.45	15/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1A	6	Improvement of Suair UP Barantar bazar road at ch. 6250-8250m	191 307.50	10/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1B	65	Re-excavation of Fonia Char Khal under Mohonganj UZ	126 228.60	13/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	

- i. Training allowances totaling Tk. 17,200 paid to several project staffs for providing support services during training session, which includes coordinating, resource person and other support services, as authorized and practiced at LGED. To be reviewed by IFAD to determine eligibility. No schedule/module for the training has been attached with the payment voucher.
- ii. Training allowances BDT 21,350 paid to several project staffs for conducting the training during the on job period. The details are: 1) BDT 12,000 paid to Mr. Rafiqul Islam, UPC for conducting the training (10 days) as course coordinator; also paid twice in a day for conducting the training of two batches. And Tk. 3,400 & Tk. 5,950 have been paid to Mr. Ariful Haque (CIC) and AHM Bulbul (DPC) for conducting the training as resource person. This is authorized and normal practice in LGED. To be reviewed by IFAD to determine eligibility.

Sunamgonj

WA #	Cat. #	Item #	Description	Amount in BDT	Date	1	2	3	4	5	6	7	8	9	10	Comments or Exceptions noted
14A	1A	35	Construction of Moheskola bazar boat landing ghat (20x6m) under Dhamopasa UZ	139 299.50	21/09/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	i
14A	1B	125	Improv. Village protection works at Rahutola bazar - Sulla	432 608.85	08/09/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14A	3	23	CIG training	239 000.00	09/06/15	X	N/A	N/A	X	✓	✓	✓	✓	✓	N/A	ii – Ineligible expenditure
15A	1A	48	Construction of RCC box culvert on Joysree - Durgapur road at ch.100m under Dharmopasa UZ	359 737.50	25/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	iii
15A	1B	140	Construction of village protection wall at Chondipur – Union Karimpur, Derai ch.0-350m	550 237.05	25/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	3	52	Training of 10 LCS at Sadar UZ	417 200.00	25/02/16	X	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	iv
15A	5	82	Contingency bill of XEN & DMU	122 325.00	27/02/16	X	N/A	N/A	N/A	✓	✓	✓	✓	✓	N/A	
18A	1A	18	Construction of 20m RCC bridge on Alampur-Tarapur-Kayergaon road at Chatak UZ	442 000.00	29/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	v
18A	1B	130	Improv. Barokuri-Anontapur road ch.00-150m – Biswamvarpur UZ	279 646.20	17/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	3	87	Fish sanctuary expenditure South Sunamgonj	622 350.00	29/03/16	X	N/A	N/A	N/A	✓	✓	✓	✓	✓	N/A	
14C	1A	32	Construction of boat landing ghat on Olir bazar – Sadar UZ	256 500.00	28/06/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14C	1B	123	Improv. Sathpara bazar market protection works under Sullaj union	360 234.45	08/09/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1A	46	Construction of RCC box culvert on Bordal Up-Chanpur bazar road under Tahirpur	560 500.00	25/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1B	142	Improv. Village protection works at Nowagaon Hati ch.00-250m Habibpur, Sulla	395 400.60	25/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1A	20	Construction of RCC box culvert on Sarfinia Paccka road via Dasghar Boalia Hat road – Tahirpur UZ	484 750.00	29/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1B	135	Improv. Barokuri-Anontapur road – Biswamvarpur UZ	279 646.20	17/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	

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- i. This is the final payment of the contract, which was submitted by the contractor on Aug 03, 2015. The contractor was paid the GoB portion on 21/09/15 and IFAD portion on 21/01/16, i.e. four months later (due to cash shortage in sub-project account). The claim for reimbursement was submitted to IFAD on 11/10/15 even though the payment of IFAD portion had not been issued to the contractor at the time.
- ii. Photocopies of lists of participants (instead of originals) are attached with the voucher of demonstration expenses. Several events were conducted in several locations for “farmers field day”, and we have noted that the same list of participants was copied and attached to several different vouchers (the dates were erased with correction fluid and changed). Specifically, the same list was used for the events held on January 08, 2015; December 02, 2014 and June 19, 2015 in Terapur, Konagaon and Berigaon; Hobotpur, Fakimagar and Radhanagar; Rabarbari and Janigaon.
- iii. Claim for reimbursement was submitted by DMU to PMU on 06/01/16 even though the payment of IFAD portion was not made to the contractor until 21/01/16.
- iv. Training allowances BDT 39,950 was paid to several project staffs for providing support services during training session, which includes coordinating, resource person and other support during on job period. This is authorized and normal practice in LGED. To be reviewed by IFAD to determine eligibility.
- v. Claim for reimbursement was submitted by DMU to PMU on 08/03/16 even though the payment of IFAD portion was not made to the contractor until 17/04/16.

Brahmanbaria

WA #	Cat. #	Item #	Description	Amount in BDT	Date	1	2	3	4	5	6	7	8	9	10	Comments or Exceptions noted
14A	1A	21	Construction of 1 RCC box culvert on Ahoranda-Ghatiara road – Sadar	573 750.00	08/09/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14A	1B	9	Nabinagar Bogdohar submersible road development Ch. 4060-4490m	1 141 686.90	07/05/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	i
15A	1A	76	Construction of 20m x6m RCC boat landing ramp at Baherchar ghat	606 518.50	28/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	1B	160	Improv. Lakhipur bazar to Goalkhola road – Bijoyagar UZ 1950-2300	490,950.00	28/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	ii
15A	3	77	LCS training at Nabinagar	796 000.00	28/02/16	X	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	iii - In the SOE, the name indicated is Nabinagar instead of Nasirnagar (typing error)
15A	5	109	Fuel bill	110 718.30	28/02/16	X	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	
18A	1A	25	Construction of RCC box culvert on Shymogrom UP-Ratanpur bazar road at ch. 5100m - Nabinagar	308 741.50	29/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	1B	164	Development of Kulikunda bazar under Nasimragar upazila	378 000.00	24/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14C	1A	27	Construction of 1 RCC box culvert on Nathpara of Kalikatcha – Sarail	449 750.00	12/07/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14C	1B	13	Improv. Tullapara Moslendapur submersible road – Nasimagar UZ	485 138.70	31/03/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1A	78	Construction of part A RCC box culvert on Borail UP-Pagla Nadi ferry ghat and part B on Pagla Nadi-Kharghar road	592 250.00	28/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1B	158	Improv. Lakhipur bazar to Goalkhola road – Bijoyagar UZ	475 650.00	28/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1A	23	Construction of 1 RCC box culvert of Ahoranda-Ghatiara road - Sadar	51 931.00	29/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1B	175	Improv. Rupasdi Kutchar Shil bari Khawarpur submersible road	410 040.00	24/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	

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- i. Long delay between date of bill payment to the contractor (February and May 2015) and submission of SOE reimbursement (September 17, 2015). Calculation of GoB/IFAD portion on contractor's billed amount was too complex, should be simplified and clearer.
- ii. Submitted the SOE for the adjusted amount (50% advance) of Tk. 1,091,000, although the measurement book value of work completed was Tk. 1,305,823. In other cases, the SOE is for the value of work completed, rather than the advance amount. The procedure should be uniform and consistent.
- iii. This claims related to a total of 21 training sessions. Training costs includes a total of Tk. 133,950 paid to several project staffs (DTC, M&E, SAE, UPC, CIC and support staff) for providing various services during the training sessions (coordinating, resource person and other support services). This is authorized and normal practice in LGED. To be reviewed by IFAD to determine eligibility.

Kishoregonj

WA #	Cat. #	Item #	Description	Amount in BDT	Date	1	2	3	4	5	6	7	8	9	10	Comments or Exceptions noted
14A	1B	30	Improv. Mithamoin Kewarjore UP office Kajirkhola ferry ghat road	680 504.40	28/06/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14A	3	95	Social awareness & rice seed production training	261 185.00	23/06/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	i
14A	5	25	Contingency bill for August 14	107 397.50	12/11/14	X	N/A	✓	N/A	✓	✓	✓	✓	✓	N/A	
15A	1A	25	Improv. Chowganga UP-Chandpur Hat road ch. 00-1165m – Itna UZ	700 000.00	22/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	1B	73	Improv. Austagram Kairal ferry ghat-Shibpur ferry ghat road	660 223.80	24/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	1A	4	Improv. Austogram-Adampur GC road ch. 9550-11750m	552 500.00	10/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	1B	23	Improv. Kulkulir Khal-Nowabad road 3420-3760m Mithamoin UZ	602 359.20	10/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14C	1B	45	Improvement of Austogram-Hablibari road 1300-1633m	453 270.15	28/06/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1A	21	Construction of 20m x6m RCC boat landing ghat – Itna UZ	316 500.00	22/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1B	81	Improv. Karpasa UP-Jalalpur bazar RCC road – Nikli UZ	806 609.25	24/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1A	1	Improv. Banglaalpara-Humayunpur road ch. 1400-1635m – Austagram	600 437.50	10/03/16	X	✓	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1B	18	Improv. Kulkulir Khal-Nowabad road 3760-4110m Mithamoin UZ	587 753.55	10/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	

- i. Training costs include total Tk. 3,900 paid to project staffs for providing various services during training sessions (coordinating, resource person and other support services). This is authorized and normal practice in LGED. To be reviewed by IFAD to determine eligibility.

Habigonj

WA #	Cat. #	Item #	Description	Amount in BDT	Date	1	2	3	4	5	6	7	8	9	10	Comments or Exceptions noted
14A	1A	16	Improv. Kagapasha UP office Chamakpur bazar road with drain box culvert – Baniachong UP	750 519.00	28/06/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14A	1B	162	Improv. Habigonj Sujatpur to	848 891.70	05/03/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	

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			Mokrompur road – Baniachang UZ													
14A	3	139	Demo of crop & horticulture	226 000.00	14/09/15	X	N/A	N/A	N/A	✓	✓	✓	✓	✓	N/A	i
15A	1A	12	Improv. Shibpasa UP to Paschimbabazar via Moklesjan road – Azmirigonj UZ	202 206.00	15/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	1B	45	Development of Augua bazar – Baniachang	399 104.10	22/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15A	3	36	LCS training bill	205 608.00	15/02/16	X	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	ii
15A	5	46	Fuel bill August 14 – Jan 15	78 406.30	15/02/16	X	N/A	N/A	N/A	✓	✓	✓	✓	✓	N/A	iii
18A	1A	12	Improv. Azmirigonj UZ R&H to Noagor primary school varieties CH RCC box culvert	486 054.50	16/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	1B	123	Improv. Paschimbabazar-Uzanpara ferry ghat road – Azmirigonj	575 544.60	16/03/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18A	3	14	IMC, MMC & LCS training for June 15	277 699.00	28/03/16	X	N/A	N/A	✓	✓	✓	✓	✓	✓	N/A	iv
18A	5	16	Contingency bill July-November 15	13 264.30	08/03/16	X	N/A	N/A	N/A	✓	✓	✓	✓	✓	N/A	
14C	1A	18	Improv. Azmirigonj GC Paharpur GC road – Ch 1000-2000m	632 916.75	25/06/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
14C	1B	166	Development of Aligonj bazar under Baniachang UZ	445 437.00	10/03/15	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1A	9	Improv. Paharpur GC-Baniachang road via Jhilua – Azmirigonj	676 054.25	15/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
15C	1B	49	Construction of submersible RCC road from Pachinmbag road to Ujanpara ferry ghat ch1450-1900	458 888.40	22/02/16	X	N/A	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1A	10	Construction of 7 RCC box drain culverts on Karcha-Ariamugur road	146 122.50	16/03/16	X	NA	✓	✓	✓	✓	✓	✓	✓	N/A	
18C	1B	94	Construction of Godainagar village protection work – Lakhai UZ	337 752.45	07/03/16	X	NA	✓	✓	✓	✓	✓	✓	✓	N/A	

- Honorarium paid to Project Director for visiting 11 sites of crop & horticulture demonstration in 1 day @ Tk. 850 each on 17.04.2015 (total Tk. 9,350). The same was paid to the District Project Coordinator (DPC) for visiting 1 site on 19.02.2015 (total Tk. 850). To be reviewed by IFAD to determine eligibility.
- Training costs include total Tk. 30,100 paid to project staffs for providing various services during training sessions (coordinating, resource person and other support services). This is authorized and normal practice in LGED. To be reviewed by IFAD to determine eligibility.
- Documentation of counter foil/slip of fuel expenses was scattered and not well organized.
- IMC training was conducted on May 28, 2015, where project staffs Mr. Ariful Islam and Jhalak Chandra Das were paid Tk. 2,500 each (i.e. Tk. 500 for each of the 5 LCS groups in the same day). Another project staff Ms. Modhu Bala received Tk. 1,000 (i.e. Tk. 500 for each of the 2 LCS groups in the same day) for participation in the training as trainee. Training costs also include Tk. 45,350 paid to several project staffs including DPC, UPC, CIC, SAE for providing various services during training sessions (coordinating, resource person and other support services). This is authorized and normal practice in LGED. To be reviewed by IFAD to determine eligibility.

Documents verified (as applicable)

- Inclusion in AWPB
- IFAD no objection (based on prior review thresholds)
- Contract or purchase order
- Proof of completion: Delivery slip (for goods), Statement of works or Progress Certificate (for works), Final report (for services), attendance sheet (for staff/consultants)

5. Invoice, contractor's claim, payroll statement, travel claim or other payment request document (certified by DPC, XEN or PD)
 6. Bill form = debit voucher
 7. Copy of bank transfer order or manual check register
 8. Cashbook
 9. Bank statement
 10. Other documents (bank guarantee, contract monitoring form, travel authorization/BTO report, etc.)
- N/A: Not applicable

Annex 2/A – Designated Accounts Reconciliation – HILIP Consolidated – as at 30 April 2016.

		Amount in US \$
1.	TOTAL ADVANCED BY IFAD	39 769 698
2.	LESS: TOTAL AMOUNT RECOVERED BY IFAD	22 025 422
3.	EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2)	<u>17 744 276</u>
4.	BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE: 30/04/2016	<u>2 534</u>
5.	PLUS BALANCE OF THE PROJECT ACCOUNT(S) PLUS BALANCE OF SUB-ACCOUNTS PLUS BALANCE OF CASH IN HAND TRANSFER FROM DA TO PA IN TRANSIT Sub-total of 5:	<div style="border: 1px solid black; padding: 2px;">8 453 421</div> 8 453 421
	TOTAL OF BANK BALANCES, PA, SUB-ACCOUNTS & CASH IN HAND BALANCE (4+5):	8 455 955
6.	PLUS: TOTAL AMOUNT CLAIMED IN WA 18A and 18C	3 800 560
7.	PLUS: TOTAL AMOUNT WITHDRAWN FROM THE SPECIAL ACCOUNT/PA AND NOT YET CLAIMED REASON :	0
8.	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENT AND CLAIMED AFTER DATE OF BANK STATEMENT	0
	WA # Date Amount (US \$)	
	SUBTOTAL OF PREVIOUS WAs NOT YET CREDITED	0
9	MINUS: NET INTEREST EARNED	0
10.	TOTAL ADVANCE ACCOUNTED FOR (NO.4 THROUGH NO.9)	12 256 515
11.	DIFFERENCE BETWEEN LINES 3 AND 10	<u>5 487 761</u>
		<u>17 415 070</u>
	EXPLANATION OF ANY DIFFERENCE BETWEEN LINES 3 AND 10	
	Uncleared checks	<div style="border: 1px solid black; padding: 2px;">1 035 520</div>
	Unexplained difference	<div style="border: 1px solid black; padding: 2px;">4 452 241</div>
		<div style="border: 1px solid black; padding: 2px;">5 487 761</div>

Exchange rate:

Euro: BDT=1: 89.7680

BDT:USD=1:78.40

EUR/USD for WA 18C (IMF 30/04/16 rate): 1.1403

EUR/USD for outstanding advance (average): 1.18976

**Annex 2/B – Designated Accounts Reconciliation – CALIP Consolidated –
as at 30 April 2016.**

		Amount in US \$						
1.	TOTAL ADVANCED BY IFAD	3 317 847						
2.	LESS: TOTAL AMOUNT RECOVERED BY IFAD	0						
3.	EQUALS PRESENT OUTSTANDING AMOUNT ADVANCED TO THE SPECIAL ACCOUNT (NUMBER 1 LESS NUMBER 2)	3 317 847						
4.	BALANCE OF SPECIAL ACCOUNT PER ATTACHED BANK STATEMENT AS OF DATE: 30/04/2016	17 720						
5.	PLUS BALANCE OF THE PROJECT ACCOUNT(S) PLUS BALANCE OF SUB-ACCOUNTS PLUS BALANCE OF CASH IN HAND TRANSFER FROM DA TO PA IN TRANSIT Sub-total of 5:	1 871 883						
TOTAL OF BANK BALANCES & CASH IN HAND BALANCE (4+5):		1 889 603						
6.	PLUS: TOTAL AMOUNT CLAIMED IN THIS APPLICATION # ...	0						
7.	PLUS: TOTAL AMOUNT WITHDRAWN FROM THE SPECIAL ACCOUNT/PA AND NOT YET CLAIMED REASON:	0						
8.	PLUS: AMOUNTS CLAIMED IN PREVIOUS APPLICATIONS NOT YET CREDITED AT DATE OF BANK STATEMENT AND CLAIMED AFTER DATE OF BANK STATEMENT							
<table><tr><th>WA #</th><th>Date</th><th>Amount (US \$)</th></tr><tr><td></td><td></td><td></td></tr></table>		WA #	Date	Amount (US \$)				
WA #	Date	Amount (US \$)						
SUBTOTAL OF PREVIOUS WA NOT YET CREDITED		0						
9	MINUS: NET INTEREST EARNED	0						
10.	TOTAL ADVANCE ACCOUNTED FOR (NO.4 THROUGH NO.9)	1 889 603						
11.	DIFFERENCE BETWEEN LINES 3 AND 10	1 428 244						
		3 317 847						
EXPLANATION OF ANY DIFFERENCE BETWEEN LINES 3 AND 10								
Unexplained difference		1 428 244						

Bangladesh Bank Exchange rate:
BDT:USD=1:78.40

Annex 3 – Fiduciary Review at District Management Units

Review procedure	Observations	Recommendations
<p>General discussion on systems and procedures in place at the DMU:</p> <ul style="list-style-type: none"> - Budget monitoring - Expense authorization process - Interactions with XENs - Interactions with UMUs - Administrative management (HR, assets, travel, IT) - Implementation of procedures manual 	<ul style="list-style-type: none"> ✓ There is no separate AWPB for DMUs and no budget monitoring exists at DMU level. ✓ Current practice of the authorization process of expenses is much extensive and time consuming. All transactions of Category 1As are approved by XEN. At UPZ level, LCS organizer collects bill from LCS group and measurement taken by Sub-Assistant Engineer (SAE). SAE prepares the bill/voucher for contract payment with initial review done by UPC. UPC submits the bill/invoice to XEN through Upazila Engineer. At DMU level, XEN delegates to DPC for initial checking of bill/invoice. After checking by DPC, it goes to FAs for placing file note and Accountant (GoB) for review of file notes. After completing the file notes, Accountant (GoB) send it to DPC/CIC for their signature and DPC transfer it to Assistant Engineer/Senior Assistant Engineer for signature and finally it goes to XEN desk for his/her approval. ✓ Computer operator is custodian for HR/personnel file. He is playing role of admin assistant. ✓ Accountant takes backup in a pen drive at end of the day and located it in the office location as well. ✓ They do physical inventory counting in every six months. ✓ There is no any procedural manual i.e. financial manual, administrative manual and operational manual in DMU office. ✓ Currently there is no provision to get any travel advance though it is official purpose and the current practice is reimbursement basis payment. 	<ul style="list-style-type: none"> ✓ There should be an individual AWPB for each DMU. ✓ Expense authorization process should be streamlined with sound internal control for avoiding of unusual time consumption. ✓ Backup should be kept in a separate portable hard disk, which is not being used regularly but not in a pen drive and this instrument must be located in a separate places other than office building. ✓ Format of physical inventory counting report should be changed and it should be prepared in a blank page. ✓ A financial, administrative and operational manual should be there to streamline of DMUs regular works. ✓ There should be a provision of getting advance for office travel i.e. travel for field visit, outside training and overseas travel.
<p>Status of implementation of TOMPRO and assessment of FA's capacity:</p> <ul style="list-style-type: none"> - Previous years' data (Excel sheet for Issiaka) - Previous years' contracts (Excel sheet for Issiaka) - Input of current year transactions (component 1, components 2 to 6, GoB transactions): what has been input so far, who is doing the input and what is the frequency? - Coding of transactions by funding source, expense category, component, AWPB activity code and geographical location? 	<p>Status of implementation and operationalization of TOMPRO is poor. All the DMUs have been completed the prior years' data Excel worksheets and send to the vendor except one. Brahmanbaria has completed partially for sending the previous years data to the vendor. However there were some additional queries from the vendor, which has not yet done by FAs.</p> <p>FA's capacity on TOMPRO and progress on current year data input is not satisfactory. There is very little progress in data input and record keeping in TOMPRO incase of all five (5) DMUs and particularly there is no progress in Brahmanbaria and Sunamgonj. FA's understanding level on TOMPRO is not satisfactory as they are not able to operate some function, i.e. making adjustment entry. FAs are not doing practice in TOMPRO regularly.</p> <p>AWPB: Not yet initiated in the TOMPRO though it is there.</p>	<p>Using of TOMPRO and practice should to be continued regularly. Mistakes may be there but regular participation in TOMPRO should be the first priority.</p>

- Input of current year contracts - Perform one 'live' test by asking the FA to input 1 expenditure/payment and 1 contract		
Financial reporting to PMU: - What documents do they send to PMU? What's the frequency? - Suggestion for monthly reporting (accelerate WAs)	Currently all DMUs submit financial report on monthly interval. The financial report of DMUs includes SOE, bank ledger, bank statement and the bank reconciliation (if any). But the DMUs doesn't prepare the fund flow statement/reconciliation.	Fund flow reconciliation (i.e. Opening bank balance + fund received – expenses = closing bank balance) should be included in the monthly financial report.
-Review of procedure for issuance/clearance/monitoring of advances to contractors or service providers. -Review of advances to staff	Advance requisition initiates from UPC and submits through Upazila Engineer to XEN. The subsequent process/next step is as like as expense authorization process. Currently, there is no proper monitoring on advances given to contractor/LCS training. Nobody knows that who one is actually responsible for monitoring of such advances. Currently, most of the DMUs maintains the advances record in a manual register that is sufficient for advances record keeping but not effective for monitoring of unadjusted advances. Mission notes in some cases the advances are still unadjusted over two years.	An aging schedule of advances of LCS and training/demonstration is to be prepared on monthly basis. The responsibility of advance monitoring on regular basis should engage to any particular person.
Treasury: - Discussion on cash management procedures (cash forecasting, advance requests to PMU, justification of advances, etc.) - Verification of bank reconciliations	✓ DMU office monitors the govt. fund, advance request etc. ✓ Preparation of cash forecast is not in practice however they prepare the cash forecast twice in a year, which is not effective for required cash management. ✓ All the DMUs prepare the Bank reconciliation on monthly basis.	All DMUs need to prepare the Cash forecast for six-monthly and of course it is to be amended/adjusted in every month.
WAs: - Discussion on preparation of SOEs (including filing)	Currently All DMUs submit the SOE/reimbursement once/twice in a month. Mission notes for LCS adjustment, in some cases the DMU make adjustment of the bill amount equal to advanced amount only though the measurement book value is more than advanced amount and in some cases they consider the value of measurement book/actual bill. There is no unique instruction for this process.	Supporting documents/bill/invoices for all transactions should be send to PMU with SOE. The practice is to be continued regularly and regular monitoring is needed from PMU level. It may be more promoted if the DMU can make the reimbursement/adjustment of LCS advances in three/four interval in a contract period instead of twice in a contract period (50%+50%)only.
Discussion on contract management and monitoring of commitments	Component base Coordinator monitors all the contracts pertaining to him/her through collect the information from UPC as well as physical field visit by himself. Visit the works contracts at field level as well as collect monthly progress report from the UPC. Communicate with LCS leader and collect the information for commitment. Our observation is that in most of the cases the physical progress doesn't match with financial progress though the DMU prepares and submit the physical progress report on monthly basis.	The financial progress should be consistent with physical progress and more realistic.
Discussion on GoB contribution (payment of % of invoices by GoB, recording of tax contribution)	Checked the invoices and found the GoB contribution is reported as per FA.	

Discussion on AWPB execution	There is no proper procedure on execution of AWPB except that the preparations of the progress report mentioning physical progress and financial progress by M&E officer. However the physical progress doesn't match with the financial progress.	The financial progress should be consistent with physical progress and more realistic. Efficient budget monitoring system be put in place, with a monthly budget-to-actual statement generated from TOMPRO, and analyses of budget variances during a monthly budget review meeting chaired by the DPC, with the participation of the UPC, FAs, M&E Officer and all component heads.
Review of assets register and physical inventory (if any)	DMUs maintains the fixed assets register manually, which is not up-to-date. All the DMUs prepared a physical inventory counting report, apparently which was prepared for cross matching with the register but not counted physically.	Fixed asset register is to be maintained in TOMPRO. Format of physical inventory counting report should be changed and it should be prepared in a blank page.
Verification of fuel management and vehicle maintenance	Logbook is being maintained for all vehicles and motorcycle in all DMU offices. FAs ensures the cross checking of monthly fuel bill with the counter foil, fuel register and logbook.	The practice of proper fuel management should to be continued regularly
Discussion on annual audit (external and internal)	The external audit is being conducted annually by FAPAD, there were three observations in FY 2014-15 and all have been clarified from DMUs. Internal audit is being conducted by internal audit wing of LGED in every three years. Last time internal audit was conducted for FY 2012-13.	The mission recommends the selection of a private audit firm to perform and regularize the internal audit function.

Annex 4: Summary of Field Visits Group 1

Basis of evaluation:

Quality of infrastructures are measured based on

- Physical measurements (thickness & width) for checking the dimensions compliance
- Visual observations for qualitative assessment of the finished work
- Discussion with the construction workers (LCS/Contractor) for verification of the method of construction

Limitation: no destructive test is carried out to assess the strength of the finished work

Day-1: 14.05.16 (Saturday)

Site – 1 HILIP & CALIP at Borkhapon-Gutura Bazar road under Kalmakanda Upazila

Observations:

- Concrete Road – Communication Infrastructure (Component-1)
 - Overall quality of the finished work was good
 - Joint construction of concrete road was not up to the mark
- Slope protection by CC blocks & vetiver grass – Community Infrastructure (Component-2)
 - Workmanship of block construction was not satisfactory
 - Only a few formworks were used for making blocks
 - Quick removal of mould from the formwork often made the blocks disfigured
 - CC blocks with hole were also used on the shoulder strip
 - Local vetiver sapling were planted; need to ascertain if it is the correct variety or not
 - No log is maintain for monitoring vetiver grass development progress
- Slope protection by retaining wall – Community Infrastructures (Component-2)
 - Overall quality and workmanship were found to be satisfactory
- Culvert – Communication Infrastructures (Component-1)
 - Overall quality and workmanship were found to be satisfactory
 - Incorrect abutment base treatment



Use of blocks with holes on the shoulder strip



Hexagonal CC block construction Yard



Formwork of Hexagonal CC blocks



Untreated Culvert Abutment Base

Recommendations:

- a. Concrete Road – Communication Infrastructure (Component-1)
 - Need more supervision to ensure workmanship particularly the joint construction
- b. Slope protection by CC blocks and vetiver grass – Community Infrastructures (Component-2)
 - From the constructability point of view and involvement of unskilled LCS people: the existing hexagonal block may be replaced by square shaped block or thickness of the hexagonal block can be 100mm instead of 75mm.
 - Need to ensure sufficient formworks
 - To prevent percolation/infiltration of water, CC blocks without hole should be used on the shoulder strip
 - Before selecting the vetiver sapling for plantation; its species need to be verified by expert
For proper monitoring of the vetiver grass based bio-engineering slope treatment, documentation of its progress should be recorded properly.
- c. Culvert – Communication Infrastructure (Component-1)
 - To reduce impact of speedy running water which often causes formation of vortex/turbulence at the abutment nose, there is a need for correction of the existing abutment base giving a nice round shaped structural form integrating the wing-wall with the slope protection work
In this regard a good practice would be to award the culvert work along with 10m slope protection work.

Site – 2 HILIP under Kalmakanda Upazila (UNR)

Borkhapon -Jatrabari Bazar Concrete Road – Communication Infrastructure (Component-1)

Observations:

- Quality of road was found to be excellent
- Panel joints were constructed properly and treated with sealant compound
- Measured dimensions (width & thickness) were in compliance with the design drawings and specifications
- Good to see the addition of curve widening in an appropriate manner
- Nice treatment is given at the water front terminal point
- At a small portion of the road, trace of deteriorated quality of work cause by rain was observed

Recommendations:

- As a good practice, necessary rain protection preparation should be made readily available before construction of the work and
- Site supervisor should check this compliance before allowing start of any concreting work



Concrete Road with Curve Widening



Nice Waterfront Road Termini

Day-2: 15.05.16 (Sunday)

Site – 3 HILIP under Madan Upazila

Magan-Poder Kona Submersible Concrete Road – Community Infrastructures (Component-2)

Observations:

- Quality of road construction by engaging LCS groups was found to be excellent
- Measured dimensions (width & thickness) were in compliance with the design drawing
- As a good practice, concrete pavement should be constructed following alternative panel casting arrangement and joints should be sealed with sealing compound



Site – 4 CALIP under Madan Upazila

Nayahati Village Mound Protection– Community Infrastructure (Component-2)

Observations:

- Protection work was undertaken with hexagonal CC blocks; 100mm thick blocks were used instead of 75mm
- Overall quality of work was observed to be satisfactory
- Block holes were reduced to prevent cattle legs from being trapped
- Internal road works were upto the satisfactory level
- Tube well was installed with proper color
- All edges of stair were observed to be very sharp
- For sustainability, continuous monitoring of the mount protection work is needed



Village Mound Protection Works



Block with holes are used on Shoulder Strip



Correct color of the Tube-well has used



Internal Community Road



Staircase mortar work without chamfering

Recommendations:

- Use of 100mm thick blocks and reduction of block holes were found appropriate condition responsive measures
- On the pretext of cattle legs sticking, the CC Block holes should not be reduced; for proper growth of vetiver the design hole diameter (150mm) should be maintained
- As a good practice, all edges of plastering works should be with 6mm nudging/ chamfering
- For sustainability of village mound protection work; there is a need for forming a community based monitoring committee

Site – 5 HILIP Market under Madan Upazila

Boat Landing Ghat at Kodom Sree Village – Communication Infrastructure (Component-1)

Observations:

- Overall quality of work was found to be satisfactory except honeycombs were observed underneath the
- structure
- Need repair work to prevent infiltration of water into the structure



Boat Landing Ghat with middle Ramp Facility



Honeycomb underneath the structure

Day 3: 16.05.16 (Monday)

Site – 6 CALIP at Nikli

Kamalpur Village Mound Protection Work – Community Infrastructure (Component-2)

Observations:

- Site selection and overall planning is excellent
- Protection work was undertaken with square CC blocks & Vetiver grass
- Overall quality of workmanship is observed to be satisfactory
- Need to include stairs & utility pipes in an integrated way



Nice Village Mound Protection Work with Square CC Blocks & Vetiver Grass

Site – 7 HILIP Nikli Bazar to Singpur Road

Concrete Road & Slope protection work – Communication Infrastructure (Component-1)

Observations:

- Overall quality of workmanship was up to mark
- Well planning in integrating utility pipe system; though need correction in fixing outlet point at proper location to reduce soil erosion potential due to impact of water fall with high drop

- Panel size was fixed based on length of rebar (12.1m) is a good practice which helped in avoiding the need for cutting rod or need for overlapping
- Additional side barrier on the shoulder is preventing vehicle from going extreme edge of the carriageway



Concrete Road with Slop Protection Work



Nice Slope Protection Work

Site – 8 HILIP at Nikli

Singpur to Vatiboratia Submersible Concrete Road – Communication Infrastructure (Component-1)

Observations:

- Overall quality of workmanship is satisfactory
- Elevation of pavement structure is fixed with respect to isle of adjacent agricultural land
- Surface is prepared nicely with smooth riding quality



Submersible Road with nice Riding Quality and Joint Sealing

Site – 9 CALIP

Submersible Concrete Road – Community Infrastructure (Component-2)

Observations:

- Road alignment given following the bank of river has high degree of exposure and challenges
- Overall quality of road construction by involving LCS group is observed to be satisfactory
- Surface is prepared nicely with smooth riding quality



Submersible Concrete Road along the Bank of River

Site – 10 CALIP at Islampur village (HILIP)

Village Mound Protection Work – Community Infrastructure (Component-2)

Observations:

- Protection work is done by using 1m x 1m cast in-situ blocks
- Overall quality of slope protection by involving LCS group is observed to be satisfactory
- Nearly 25m to 30m land has reclaimed
- Utility lines are found to be embedded with the slope protection work in an integrated way
- Stairs are missing at a few locations



Village Mound Protection Work with Reclaimed Land

Site – 11 CALIP under Austagram

Bahadurpur Market Mound Protection Work – Community Infrastructure (Component-2)

Observations:

- Protection work is done by using 1m x 1m cast in-situ blocks
- Overall quality of slope protection by involving LCS group is observed to be satisfactory
- Nearly 20m to 35m land has reclaimed
- Steep slope is provided for more than 6m high mound without berm is appeared to be risky



Steep slope Protection Work without Berm Facility

Day 3: 17.05.16 (Tuesday)

Site 12 – HILIP at Majlishpur Union under Sadar Upazila

Village Mound Protection Work – Community Infrastructure (Component-2)

Observations:

- Protection work was made by RCC retaining wall
- Overall quality of road construction by involving LCS groups was quite satisfactory
- Measured dimensions of columns, truss members etc. were in compliance with the design drawing
- Found honeycombs at a few locations
- Construction materials need to be improved

Recommendation

- To ensure quality of works properly, a video based educational training material can be prepared showing all the constructional systematic procedure and good practices. This knowledgebase training tool will be helpful for supervisor as well as for the unskilled LCS group members to learn by seeing the exact procedure. If LCS member preserve the footage, it will give them an extra confidence as in future whenever they will need to refresh any construction procedure they can consult it easily.



RCC Retaining Wall Based Village Mound Protection Measurement of Structure

Site 13 – CALIP under Sarail Upazila

Barura bazar Road Slope Protection Work – Communication Infrastructure (Component-1)

Observations:

- In-situ casting based protection work
- Overall quality of road construction was observed to be not upto the mark
- Tried both hexagonal and square CC blocks side by side
- Vetiver grasses were found to be in shabby condition

Recommendation

- Considering that it is difficult to maintain the quality of work as well as to provide curing on steep slope, it is recommended not to do any more in-situ based slope protection work



In-situ Casting based Slope Protection Work Workmanship of work was not upto the mark

Site 14 – HILIP Kalikachha Bazar under Sarail Upazila

Market Development – Community Infrastructures (Component-2)

Observations:

- Overall quality of construction by engaging LCS groups was observed to be upto the level
- Measured dimensions of columns, truss members etc. were in compliance with the design drawing and specification
- Patta based finishing work was not so good
- To ensure quality of steel work, pre-sample acceptance is important



On-going work of Multipurpose Market Shed



Floor Finishing was not upto the Mark

Site 15 – HILIP under Nasirnagar

Nasirnagar-Changamura Submersible Concrete Road – Community Infrastructures (Component-2)

Observations:

- Overall quality of road construction by engaging LCS groups was upto the satisfactory level
- Measured dimensions (width & thickness) were in compliance with the design drawing

- Patta based finishing work was not so good particularly at the joints
- Joint casting need more supervision



Submersible Concrete Road on the Shore line



Joints are not in good shape

Site 16 – CALIP under Nasirnagar

Shingogram Community Collection Point (CCP) – Community Infrastructures (Component-2)

Observations:

- Overall quality of road construction by engaging LCS groups was observed to be excellent
- Toilet has given transparent roof-sheet to enter sun light and prudently plastic door was used
- Neat finishing of open shed floor should be avoided to reduce discomfort level of sellers
- As a good practice fair-face concrete floor finishing should be used in-place of neat finishing



Open Shed of Community Collection Point (CCP)
Sheet



Toilet with Transparent Roof

Site 17 – CALIP under Lakhai

Chikonpur Village Mound Protection Work – Community Infrastructures (Component-2)

Observations:

- Protection work is undertaken with hexagonal as well as square CC blocks; 75 mm thick blocks were used
- Overall quality of workmanship is observed to be satisfactory, though the Vetiver sapling was not the right type
- Nice quality production of hexagonal CC blocks
- Along with mound protection nearly 20m land reclamation was achieved



Mound Protection Work with CC Blocks & Vetiver Nice quality production of hexagonal CC blocks

Site 18 – HILIP under Lakhai (Village Road)

DC Concrete Road – Community Infrastructure (Component-2)

Observations:

- Quality of concrete road was excellent and particularly the joint construction was made as per the specification
- Edge blocks were laid integrating with the pavement work, which essentially would give more structural stability



Very good quality Pavement Work



Very good quality Joint Construction Work

Site 19 – CALIP at Mirpur –Mokshedpur under Lakhai

Village Internal Community Facilities– Community Infrastructures (Component-2)

Observations:

- Internal road, Toilet & Tube-wells all were found to be well constructed.
- Tube-well with right color
- Toilet should have one transparent sheet to allow sun-light.



Nice internal Road with flared junction



Tube-well with proper color code

Day 4: 18.05.16 (Wednesday)

Site 20 – HILIP under Baniachang Upazila

Banichang GC- Paharpur GC Concrete Road – Communication Infrastructure (Component-1)

Observations:

- Overall quality of the submersible road construction was satisfactory
- Joint construction was as per design and drawing
- Seal coat was given slightly over flushing with the joint-top, rather it should be slightly lower



Nice quality Submersible Concrete Upazila Road



Seal coat was given over flushing with the joint

Site 21 – CALIP Aliganj Bazar, Baniachang

Market Development – Community Infrastructures (Component-2)

Observations:

- Overall quality of construction work engaging LCS groups was observed to be upto the mark.
- Measured dimensions of columns, truss members etc. were in compliance with the design drawing
- Giving neat finishing on open shed floor was not a good practice; it increases discomfort to the sellers due to extra sun light radiation; fair-face concrete without neat finishing is better
- Steel truss works were nice
- Toilet was provided with suggested layout pattern (Men and women doors in opposite direction)
- Tubewell color was given as per code



Nice Market Shed and Internal Road Works



Undesirable Neat Finishing on Open Shed Floor



Nice entrance orientation for men and women

Site 22 – CALIP Derai, Sunamganj

Meghna Baroghor Village Mound Protection Work – Community Infrastructures (Component-2)

Observations:

- Protection work was undertaken with in-situ square CC blocks; 75 mm thick blocks were used
- Overall quality of workmanship was observed to be near to the satisfactory level, though the selected Vetiver sapling was not the right type.
- Though the in-situ based block casting has the potential to save construction time but to uphold quality construction it should be discouraged



Village Mound Protection Work





Vetiver based Bio-Nailing on Concrete Blocks



Day 5: 19.05.16 (Thursday)

Site 23 – CALIP under Taherpur Upazila

Chandpur Village Market Development – Community Infrastructures (Component-2)

Observations:

- Good quality development works was observed
- Measurement of different structural elements were in compliance of design drawing
- To ensure proper drainage facility transverse slope of internal roads should have been given in the outer direction
- Concrete road joints were not upto the mark



Overall Market Development Activities



Internal Road with Camber at the Centre



Women's Corner Shops are being Constructed



Dimensions were in accordance with drawing

Site 24 – HILIP under Sunamgonj Sadar

Mongalkata-Hasaura Union Concrete Road – Communication Infrastructures (Component-1)

Observations:

- Good quality development works was observed
- Joint construction was observed at satisfactory level
- Joints were properly filled up with sealant materials



Nice Concrete Work with Good Riding Quality

Annex 5: Lesson Learned and Good Practices in Infrastructure Components.

Vetiver Based Protection System

- During the field visits it was observed that at the majority of the implemented embankment slope protection as well as village mound protection works, instead of proper Vetiver sapling; the local varieties were planted. As per the Bio-Tech engineering specified measure as has been mentioned in the Project Implementation Manual (PIM), the vetiver grass should be a selected specific species which would be non-compete, non-evasive and most importantly which has the specified engineering properties.
- As such before selecting the vetiver sapling for plantation; its species need to be verified by the relevant expert. In the beginning of the project (CALIP), this issue should be dealt with due importance.
- Nursery should be supplied the specified sampling for propagation; it is very important for any Bio-Tech engineering measure.
- For proper monitoring of the Vetiver grass based bio-engineering slope treatment,

documentation of its progress should be recorded properly.

- On the pretext of cattle legs sticking, the CC Block holes should not be reduced; for proper growth of Vetiver, the design hole diameter (150mm) should be maintained; if sufficient hole opening is not provided then the Vetiver grass itself may exert growth induced extra pressure and may cause damage to the blocks.
- It should be noted that as a whole properly grown Vetiver has the following functions to render:
 - Its dense and deep rooted sub-surface system would anchor the soil very tightly
 - Act as a second mound defence system
 - Its strong shoot bunching system would
 - Its strong shoot bunching system would
 - Act as a nail and prevent CC blocks blown away by wave action
 - Act as an hanger and thereby prevent accumulation of blocks weight on the bottom key block (this is the main essence of Vetiver inclusive block based slope protection system; which essentially suggests there is a need to provide adequate hole size for proper growth of vetiver grass)

Block Holes & Shape

- From the constructability point of view and involvement of unskilled LCS people, the existing hexagonal block may be replaced by square shaped block or alternatively the thickness of the hexagonal block can be 100mm instead of 75mm.
- For attaining proper shape of blocks, there is a need to ensure sufficient number of formworks or mould and the mould should be properly cleaned and lubricated before putting mix.
- At the intervention areas different forms of block constructions were observed viz. regular sized prefabricated hexagonal & square blocks (with single hole) and in-situ 1m x 1m blocks (with multiple holes); the performance of these different intervention systems should be monitored and documented for future application.

Concrete Road Joint Construction

- As a good practice, concrete pavement should be constructed following alternative panel casting arrangement and joints should be properly filled up with sealing compound
- To ensure proper compaction by using 'Patta', formworks at joints should be slightly shorter
- Seal coat should be provided with slightly lower than the joint-top instead of present practice of over flushing manner.
- As a good practice, necessary rain protection preparation should be made readily available before construction of the work and the site supervisor should check this compliance before allowing start of any concreting work. Joint casting should be supervision closely.

Culvert Abutment Base Treatment

- To reduce the impact of speedy running water which often causes formation of vortex turbulence at the abutment nose, there is a need for correction of the existing abutment base by giving a nice round shaped structural form integrating the wing-wall (Contractor based work) with the slope protection work (LCS based work).
- To avoid overlapping related problem, a good practice would be to award the culvert work along with 10m slope protection work.

Miscellaneous (Good practices)

- At all roadway bends/curves, the pavement should be constructed with curve widening element
- All sharp edges of plastering works should be made with 6mm nudging/ chamfering
- To avoid the need for cutting rod or need for overlapping, the panel size of concrete road should be fixed based on the length of rebar (12.1m) available in the market.
- Utility lines should be embedded into the slope protection work in an integrated way; a few PVC pipe lines along with pits should be provided to accommodate the future needs; pipe outlets should be planned in such a way that water fall from the pipe does not damage the slope protection work.
- Steep slope (1:1) of any mound protection work should be avoided particularly with high embankment (more than 5m). To increase stability of protection work, either milder slope (more than 1:1.5) or as a good practice berm at mid-level should be provided.
- To ensure smooth concrete surface finishing, the 'Patta' works for market shed floor as well as for road should be made with fine textured (not more than 2mm corrugation) and should be parallel aligning with the drainage direction (any irregular surface finishing pattern is not acceptable); alternatively as a good practice bristle based surface finishing (as can be seen from the attached photographs) would be more pleasant and acceptable.



Bristle based nice surface finishing work

- To ensure quality of steel work, pre-sample acceptance is important
- Toilet roof should have halved of a transparent sheet in the middle to allow sun-light
- Neat finishing of open shed floor should be avoided to reduce discomfort level of sellers due to extra sun light radiation; as a good practice fair-face concrete floor finishing should be used in-place of neat finishing.
- To ensure enhanced structural stability, the edge blocks should be laid integrating with the pavement work.
- For sustainability of village mount protection works, continuous monitoring should be ensured by forming a community based monitoring committee.
- To prevent percolation/infiltration of water, CC blocks without hole should be used on the shoulder strip of road and village mount protection works.
- Though the in-situ based block casting has the potential to save construction time but to uphold the quality of construction it should be discouraged. Considering that it is difficult to maintain the quality of work as well as to provide proper curing on steep slope, it is recommended not to do any more in-situ based slope protection work.
- To ensure quality of works properly, a mobile phone enabled video based educational training material can be prepared showing all the common constructional systematic procedures and good practices. Essentially this knowledgebase training tool will be helpful for supervisor as well as for the unskilled LCS group members to learn about construction details by seeing the exact procedure and thereby uniformity of quality of works can be ensured throughout the whole project intervention areas. Added advantage is that if LCS members preserve the footage in the mobile phone, it will give them an extra confidence as in future whenever they will need to refresh any construction procedure they can consult it easily.