



Investing in rural people

Bangladesh

Haor Infrastructure and Livelihood Improvement Project Supervision Report

Main report and appendices

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Abbreviations and acronyms

AWPB	Annual Work Plan and Budget
BUG	Beel User Group
CALIP	Climate Adaptation and Livelihood Protection Project
CDF	Community Development Facilitators
CE	Chief Engineer
CIG	Common Interest Group
DAE	Department of Agricultural Extension
DC	Deputy Commissioner (head of district administration)
DLS	Department of Livestock Services
DMU	District management Unit
FAPAD	Foreign Aided Projects Audit Department
GAP	Gender Action Plan
GoB	Government of Bangladesh
DoF	Department of Fishery
HILIP	Haor Infrastructure and Livelihood Improvement Project
IFAD	International Fund for Agricultural Development
IMSC	Inter-Ministerial Steering Committee
LCS	Labour Contracting Society
LGED	Local Government Engineering Department
MMC	Market Management Committee
MOF	Ministry of Finance
MOL	Ministry of Land
MOWR	Ministry of Water Resources
MoU	Memorandum of Understanding
MTR	Mid-Term Review
NGO	Non-Governmental Organisation
PCR	Project Completion Review
PD	Project Director
PIM	Project Implementation Manual
PMU	Project Management Unit
PSC	Project Steering Committee
PY	Project Year
SCBRMP	Sunamganj Community Based Resource Management Project
UFMS	Uniform Financial Management System
UMU	Upazila Management Unit
UNO	Upazila Nirbahi Officer
UP	Union Parishad
XEN	Executive Engineer
WA	Withdrawal Application

People's Republic of Bangladesh Haor Infrastructure and Livelihood Improvement Project (HILIP)

Supervision Mission: 23 April-7 May 2014

A. Introduction¹

1. An IFAD mission undertook the annual supervision of the Haor Infrastructure and Livelihood Improvement Project (HILIP) from 23 April to 7 May 2014. The main focus of the mission has been on reviewing the adherence to project strategies and institutional performance; assessing the overall progress of the project in all components against the annual and overall targets, including the quality of work; reviewing the compliance with loan covenants; following up to the agreed actions of the 2013 Supervision Mission; and assisting the project for refining implementation strategy as well as mode of implementation at this early stage of implementation of the project. The mission held initial meetings with the Project Management Unit (PMU) of the Local Government Engineering Department (LGED), in which the PMU presented progress, and reviewed various issues. The mission members, accompanied by the PMU staff, visited project activities in six (6) upazilas of Netrokona, Habiganj and Sunamganj districts and verified accounts and financial management aspects of the project in all five project districts. A debriefing meeting with H.E. Luis Tejada Chacón, the Ambassador of Spain to Bangladesh, was held on 5 May 2014. The mission's field programme is in Appendix 9.
2. The project runs from July 2012 to September 2020, has a total cost of USD 118 million, which is funded with a IFAD loan of USD 55 million, an IFAD grant of USD 1 million, a Spanish Trust Fund (STF) loan of USD 30 million and USD 32 million equivalent by the Government of Bangladesh.
3. The project is implemented by LGED in 28 upazilas of five haor basin districts, namely Kishoreganj, Netrokona, Sunamganj, Habiganj and Brahmanbaria. The five components of the project are as follows: Component 1: Communication Infrastructure is implemented by LGED through its routine contracting process; Component 2: Community Infrastructure is implemented using Labour Contracting Societies (LCS); Component 3: Community Resources Management is managed by Beel User Groups (BUGs); Component 4: Livelihood Protection; and Component 5: Project Management.
4. This report represents the findings and recommendations of the mission discussed and agreed upon at a wrap-up meeting on 7 May 2014 chaired by Mr. Ashok Madhab Roy, Additional Secretary, Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives.
5. The mission would like to thank Mr. Md. Khalilur Rahman, Project Director, HILIP/LGED, PMU staff members, five Executive Engineers and their staff members, project beneficiaries and local stakeholders for their assistance and participation in the mission. Special thanks are due to Mr Md. Wahidur Rahman, Chief Engineer, LGED, for his cooperation and assistance.

B. Overall Assessment of Project Implementation

The overall implementation progress of the project is rated satisfactory (5) as the project has made considerable progress (both in terms of cumulative and annual achievements) in all components during the current financial year, and further progress is anticipated during the remaining quarter of the year. Up to March 2014, under Component 1, the project has completed 19 km upazila road and construction on additional 8 km is in progress, which is 90% of project target for two years. It has completed 24 km of union road and construction in additional 4 km is in progress, which is 72% of project target for two years. Overall the project has completed 81% of two years' project target under this major component. The progress under Component 2 is slower; it has completed construction of 44% of overall two year project target (44 km community road completed and 4 km in progress) by 461 LCS groups. Under Component 3 it has received 293 beels from SCBRM project and in the

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process of receiving 144 new beels for community resource management. Under Component 4, the project has trained 9,191 farmers in four designated sectors to increase income and to promote new products and technologies by adopting value chain development approach, and established or completed 162 demonstrations of new agricultural products (crops, horticulture, livestock and fisheries). The project implementation has gained the necessary momentum to make up for shortfalls in the first year and complete physical activities within the designated period.

6. As of 31 March 2014, the project has completed 72% of all physical targets and 65% of financial targets. The IFAD and STF loan and grant disbursement rate of HILIP was about 15.72% and 11.66% respectively.

7. It is too early for the project to measure objective and goal level indicators. However, motorized traffic in all upazila, union and community roads has increased, LCS groups reported increase in income due to wage employment and profit, beel user groups reported increase in income from beels taken over by HILIP from SCBRM project, and marginal and small farmer groups reported increase in income from successful crops/horticulture demonstration plots. The mission observed early signs of adoption of new products and technologies by other farmers in a number of locations. The project has successfully included poor women and men under LCS groups through an elaborate selection process. The project has been successful in including poor and marginalized households in all activities to be managed by the community such as community infrastructure, beel management, and livelihoods protection activities.

8. The project has complied with all recommendations of the last 2013 supervision mission.

C. Outputs and Outcomes

Component 1: Communication Infrastructure

9. *The performance of this component is rated satisfactory (5) as the project has completed 81% of two years' overall project target of upazila and union road construction, and further progress is anticipated during the remaining quarter of the year.* The project could not start with full swing in 2012-2013 as ADP was approved in July 2012 and first release of GOB fund was in March 2013. The PMU has accelerated implementation activities in FY2013-14 including activities targeted for FY2012-13. In the haor area, construction season is limited to four to five months (December to April) depending on the onset of monsoon. The PMU and respective XEN office should complete all procedural works, including award of contracts for physical activities, by October for the following financial year to facilitate carrying of construction materials during rainy seasons and to start works immediately after the rainy season. The project management is aware of the situation and made significant improvement in enhancing procedural requirements and awarded most of the contracts by December 2013.

10. The construction of upazila and union road has made good progress: a) Overall project target for upazila road for two years is 25 km. Up to March 2014, it has completed 19 km and 45% of construction of additional 8 km upazila road is finished (i.e. 90% completed); and b) overall project target for union road for two years is 37 km. The project has completed 24 km and 65% of construction for additional 4 km is finished (i.e. 72% completed). That is, under this component the project has completed 81% of overall target for two years. Further progress is anticipated during April-June 2014 quarter of the year. The PMU should review and finalize actions to complete remaining works by June 2014. However, some works may be scheduled up to a reasonable part of following working season.

11. There is huge demand for construction of submersible roads that would connect many villages and important markets. One such case is Magan UP office to Mallikpur bazaar in Mohanganj upazila of Netrokona district where an additional road of about 5 km would facilitate movement of five villages of a big haor area. The PMU should include this road and revised the DPP accordingly.

12. Slope protection: It is critical to protect road slopes to keep the road stable. One very effective and extremely low-cost option is to use vetiver grass (Binna ghas), widely grown in haor basin. It should be mandatory for contractors to apply vetiver in slopes. Also, LCS groups can cultivate and plant vetiver in slopes and shoulder of all roads. The mission observed that slopes in parts of one road were protected by naturally grown vetiver but slopes in other parts of the same road were damaged even when protected by bamboo and concrete palisading.

13. The project target is to create 1.4 million man-days of employment through construction of infrastructure. It is important to estimate man-days for each contract either by gathering actual data from the contractor or estimating man-days per typical one km of upazila and union road and report the figure as part of regular monitoring and evaluation.

14. Although it is too early to measure full impact of road construction the mission observed increase in motorized vehicles carrying goods (rice and other commodities) and people in sample roads completed by the project. Residents and farmers in the haor areas reported decrease in time and cost due to paved road.

15. However, submersible RCC roads constructed under other projects in the HILIP area, have been severely damaged by large, heavily loaded trucks, which are plying unrestricted on the haor roads that are not designed for such vehicles. This practice is defeating the purpose of RCC roads as a low-maintenance option. The HILIP roads will face the same fate unless there is a traffic control. LGED in collaboration with district administration and local government and truck owners should take initiative to stop large heavily loaded trucks on haor roads.

Agreed action	Responsibility	Agreed date
Expedite implementation 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
Plan higher quantities of work each year under this component to complete all works within the project period and make up for loss of time, especially plan such a way that at least 30% of project target is met by June 2015.	PMU	June 2014
Complete all procedures and documentation early enough to start work right after monsoon.	PMU/DMU/UMU	October every year
Plant vetiver grass on road shoulders and slopes and slopes of approaching road of bridges as a critical step in infrastructure construction. Encourage poor families and LCS groups to produce vetiver near homestead.	PMU/DMU/UMU	Start August 2014
Take initiative to control large heavily loaded trucks on haor submersible roads in collaboration with district administration, upazila and union Parishad.	PMU/DMU/UMU	Immediately
Include Magan UP office to Mallikpur bazaar road (union road) in Mohanganj upazila in work plan and revise DPP accordingly.	PMU	AWPB of FY 2014-15
Estimate and report wage employment (man-days) created in upazila and union road construction.	DMU/UMU	Immediately

Component 2: Community Infrastructure

16. *The performance of this component is rated moderately satisfactory (4) but the project has made considerable progress in communication infrastructure during the current financial year, and further progress is anticipated during the remaining quarter of the year.* The physical progress of community road up to March 2014 is 44% of two years overall project target. Additional progress is expected during April-June 2014 period. Of the overall project target of 87 km the project has completed 36 km and 65% construction of additional 4km is finished. The mission is generally satisfied with the quality of work done by LCS groups as all activities under this component are planned to be constructed by LCS groups. Since not all community roads are submersible there should be higher targets under this component as construction may continue even during wet season. The project reported about the on-going survey for selecting market for building protection wall. The process should be expedited.

17. **Labour contracting societies:** *The performance of this subcomponent is rated satisfactory (5).* The project has formed 461 LCS groups with 7,434 members (4,808 men and 2,626 women). The project has successfully recruited poor and marginalized women and men for LCS works. All LCS members received a one day training from project staff on construction techniques. It is recommended to extend the training up to two days to discuss social, including primary health care and family planning, issues as well as investment of profit for income generating activities. The LCS members all received wage as per plan and some of them already received profit. There seems to be confusion about the method of calculation of profit among the members, which should be clarified during the training. The mission noted huge disparity among members with one LCS where some members

received as high as Taka 20,000 as wage and some members received as low as Taka 1,850. The project staff should try to distribute work more uniformly among members although it is understood that not all members are willing to work equal number of days. Some LCS members reported investing in livestock from income of LCS works. For further discussion on LCS on see related working paper.

18. The project targets to create employment of 2.2 million man-days under the component. Similar to communication infrastructure the project should collect and report man-days created under this component.

19. It appears from discussion with villagers that they prefer RCC roads compared to block roads constructed by the project as the RCC road is more durable, provides much smoother ride, requires much less maintenance, but it is more expensive to build (both would be built by LCS). The project estimates the unit cost of one km typical community road as Taka 7.45 million and Taka 6.02 million for RCC and block road respectively. The block road cost does not include maintenance cost of block road and the gap would be reduced if higher frequency of maintenance of block road is added (it is presumed that communities would do the maintenance, however there is wide range of scepticism about this). In terms of income (wage and profit) to LCS there is not much of a difference between two options (Taka 2.06 million for RCC road versus Taka 1.95 million for block road). In fact one km of RCC community road is more profitable for LCS although the total project target may need to be reduced. It is recommended that the project conducts an independent expert study about the comparative advantage of both options using the following criteria: a) user satisfaction; b) durability; c) cost; d) ease, frequency and cost of maintenance; e) income of LCS groups.

20. The project should apply vetiver grass on shoulder and slope of all community roads constructed under this component. The mission has observed how effectively naturally grown vetiver has protected road without any cost. This should be a construction standard in all HILIP roads.

21. Side slopes and shoulder: The project has provision of constructing 350 km village roads. These roads may be submerged or on highlands depending on the location and top width of these roads may be 7.3 feet (2.27 meter) to 8 feet (2.4 meter) depending on whether of CC Block or RCC type road. For either category of village roads, LGED select side slope of 1:1.5 for cost reduction. The mission recommends that side slope can be 1:2 where land is available and soil type permits.

22. The project plans to maintain 60 cm (2 feet) to 90 cm (3 feet) shoulder width for roads. The mission observed that shoulder widths are not maintained in some places, which will affect working life of the roads constructed. The mission recommends that there should be shoulder width of at least 90 cm (3 feet) in both sides of the roads. Furthermore, shoulders should be maintained for all roads irrespective of completed or near completion. Shoulders of previously completed roads by other projects are being damaged and are not repaired, which will lead to damage to the road and subsequently, will require major repair works. For easy passage of traffic in all roads require bus bays in addition to current width at least 1.5 m x 10 m extra width can be constructed at 150-200 m intervals on both sides of the road in an alternative manner.

23. Irrigation and Drainage Canals. The project made provision for 100 km of canal excavation under Community Resources Management Component for irrigation and drainage purposes to create favourable physical environments, including crop production. However, there is no provision of water control structures for these canals, which is required for effective water control and water conservation for irrigation. The mission recommends that the project may consider making this provision for regulators for effective management of irrigation and drainage canals. Moreover, water bodies in irrigation and drainage canals may be used for fish cultivation by the community.

Agreed action	Responsibility	Agreed date
Expedite implementation 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
Plan higher quantities of work each year under this component to complete all works within the project period and make up for loss of time, especially plan such a way that at least 30% of project target is met by June 2015.	PMU/DMU/UMU	Plan for FY2014-15 by June 2014 and continue
Plant vetiver grass on road shoulder and slopes as a critical step in	PMU/DMU/UMU	Start August 2014

infrastructure construction. Encourage poor family families and LCS groups to produce vetiver near homestead.		
Conduct 2 day training for LCS members instead of current one day training.	PMU	Starting next batches of LCS training
Conduct a comparative study on RCC and block road as community road to be constructed by LCS groups.	PMU	December 2014
Reduce disparity of wage income and profit among LCS members as much as possible.	PMU/DMU/UMU	Starting FY 2014-15
Estimate and report wage employment (man-days) created in community road and other infrastructure under this component.	DMU/UMU	Immediately
Complete selection of markets for development, markets for protection work, village for protection work.	PMU/DPMU/UMU	June 2014

Component 3: Community Resources Management

24. *The performance of this component is rated satisfactory (5).* Based on Ministry's order regarding transfer of 293 beels from SCBRMP to HILIP, out of 293 beels, HILIP so far received 265 beels. The remaining 28 beels are to be transferred in the coming years. Beel management practices in the new project are mostly based on the lessons learned in just completed SCBRMP. With the transfer of beels, the SCBRMP BUGs have come under HILIP. So far 265 BUGs have been found completed and/or transferred to the new management entity and the remaining 28 are in the process of BUG formation. The lessons learned in the SCBRMP project should be summarized to understand the reasons for increased biodiversity, production and income from the managed water bodies, which may be of immense help for HILIP and similar future projects.

25. This mission further reinforces the recommendation of the first mission of HILIP for an immediate completion of necessary measures for the transfer of new 200 water bodies from the Ministry of Land (MoL) to HILIP under an MoU. An initiation of the preparatory works for formation of BUGs and necessary management preparation with achievable targets may be planned.

26. Beel management by the BUGs and intervention like beel demarcation, re-excavation, digging of canals, sanctuaries, plantation of swamp trees, partial application of fish acts, has increased the availability of endangered fish species in all beels. Overall biodiversity increased from 51 to 80 species against previous 15 to 54 species (Khan, WorldFish). Seven (7) endangered but commercially important high value fish species, reappeared in the managed beels in significant quantities.

27. The production of fish from the beels after project intervention has increased many folds by number and weight. Production has increased from of an average 215 kg/ha to 720 kg/ha over 5 years with an increase of individual profit from approximately Taka 6,000 to Taka 30,000 per member of BUGs.

28. It has been clearly demonstrated through attending annual profit distribution meetings of the BUGs in Gujauni beel in South Sunamganj and Bara Kayma beel in Derai Upazila, Sunamganj, that beel management through SCBRMP and HILIP projects has made a significant and visible contribution to the poverty reduction, gender equity, women empowerment, and financial solvency of the poor households as well as to an improved ecology, biodiversity and environment of the haor wetlands.

29. Fish Inventory and bio-diversity monitoring. Each BUG (formerly under SCBRMP) maintains a register of species, volume, and selling price since inception of SCBRMP beel management. The project staff normally attends fish harvesting events. The records provide an excellent database on various fish types due to improved management practices such as building of sanctuary, guarding, application of fish feed, beel re-excavation etc. The same practice will be continued under HILIP. Additional monitoring of ecological status (water quality, plankton, benthos, aquatic plants, etc.), fish biodiversity, impact of interventions, new technologies for stock enhancement with nutrient-rich mola and grass carp, microhabitat development, and training of BUGs for sustainable resource management of all beels is recommended. The HILIP project has a number of fisheries experts and field staff members who in collaboration with BUGs will continue this monitoring.

30. Digitized beel demarcation using GPS and relevant software should be developed for all beels under HILIP project.

31. Canal digging programme (1.4 km out of planned 14.04 km) completed, and have been found to create new opportunities for pen culture of fish (*Tilapia*) and duck rearing along with irrigation. In order to protect canal embankments and those of beels from erosion and land-slides, swamp tree plantation and carpeting with vetiver grass (*Binna ghas*) are highly recommended.

32. Collaboration with the line department, Department of Fisheries (DoF), should be expanded. Efforts should be made to build local capacity building through training and field visits of relatively advanced CIG members who can train other farmers and pond owners interested in pond fisheries.

33. Third party monitoring. Under the SCBRMP third party monitoring of fish catch and biodiversity in beels has successfully been undertaken by WorldFish, an international non-profit research institution. The collaboration has produced an excellent data and knowledge base on beel management. IFAD and the mission strongly recommend that HILIP continues the third party monitoring in partnership with WorldFish, particularly in the new beels. As per PDR, this would also include the production of research paper and knowledge products. Additional activities can be agreed upon. Based on first discussions, WorldFish would make significant contributions to the partnership, both financially and in-kind, and the MoU can be signed with LGED.

Agreed action	Responsibility	Agreed date
Complete transfer of remaining 28 SCBRMP water bodies and formation of 28 BUGs.	PMU/DMU/UMU	December 2014
Complete transfer of 200 new water bodies from MoL to HILIP.	PMU/DMU/UMU	June 2015
BUGs should stock nutrient-rich small fish mola (<i>A. mola</i>), and grass carp (<i>C. Idella</i>) and create microhabitats for fish using local materials, eg. Bamboo <i>chonga</i> .	PMU/DMU/UMU/BUGs	On going
Continue fish catch monitoring in all 293 old and 200 new beels in collaboration with BUGs. Provide appropriate register to record all fish species and respective quantities.	DMU/UMU/BUG	On going
Develop details of beel ecology, listing of biodiversity, digitized demarcation of beels, and management prescription for individual beel.	PMU/DMU/UMU	On going
Conduct third party monitoring of fish and bido-diversity in collaboration with WorldFish	PMU	December 2014
Apply vetiver grass to cover all earth from beel re-excavation to stabilize earth so that it does not wash into the beel in next monsoon season.	PMU/DMU/UMU/ BUGs	On going

Component 4: Livelihoods Protection

34. *Activities under the Livelihoods Protection component are rated satisfactory (5)*. The outcome of this component is 'enhanced production, diversification and marketing of crop and livestock produce' that contributes to overall project objective of increasing income and reduction of poverty. The design of the project has already determined four sectors for project interventions: a) field crops; b) horticulture; c) poultry and livestock; and d) cage/pen fisheries and fish processing. The main activities are: a) organizing farmers into common interest groups (CIGs); b) promotion of new products and technologies in each sector through farmer training and exchange visits, and demonstrations of new products and technologies; c) linkage with input suppliers; and d) linkage with buyers. The development process is to follow a 'value chain approach' in each sector. So far the project focused on: a) identifying and demonstrating appropriate products and technologies such as rice varieties, potato and sweet potatoes under field crops for demonstration, off-season watermelon and high vegetables under horticulture sector, sheep, duck, Sonali poultry and *koyel* bird under livestock, and tilapia for pond fisheries; b) training farmers on improved farm practices on these products; c) organizing services such as extension and vaccination services in collaboration with respective line departments; and d) some sporadic attempts to establish linkage with input suppliers and buyers.

35. CIG formation: Up to March 2014, the project has formed 833 CIGs (44% of total project targets for 14 upazilas) in 14 upazilas with 18,875 members (7,567 men and 11,308 women members). The groups are divided by sectors: 330 crops and horticulture (4,250 men and 3,900 women members); 442 in poultry and livestock (2,780 men and 6,418 women members); and 61 fisheries (535 men and 990 women members). The mission found that in general the CIGs represent poor, marginal and

small farmers with some experience of undertaking farming respective activities in the past. Since it takes considerable time to develop sustainable value chains with new products/technologies it is critical that the project completes formation of CIGs in these 14 upazilas soon to allow sustainable introduction of new products and technologies, establishment of linkage with input sellers and buyers, and develop extension and other services.

36. Farmers' training: One of the principal activities of the project is to train farmers on new products and technologies as well as on farming practices. Up to March 2014, 9,191 farmers (3,818 men and 5,373 women) have been trained on crop production (550), horticulture (3,402), poultry and livestock (4,835) and fisheries (404). Most the training courses were conducted by experts from local line agencies such as DAE, DLS and DOF. The project has developed 29 training modules that cover basic farm practices and management. Training courses are conducted in some convenient venues and in the form of lectures. But for sustainable transfer of knowledge through training the project needs to modify its present practices as follows: a) it needs to develop expert farmers, seed sellers and other interested persons as trainers and informal sources of knowledge as limited number officials in line departments can not offer training and extension services in the vast and difficult haor terrain; b) training courses should be hands-on as much as possible at or near good farms where the trainees who are mostly illiterate can observe and practice to improve knowledge retention; and c) delivery of training courses by trainers should be in simple Bangla, if possible in local dialect to ensure effective communication.

37. Demonstration of products and technologies: Over the last 9 months the project has organized 162 demonstrations (26 in field crops, 82 fruits and vegetables, 54 in poultry and livestock) of various products mainly in two sectors except in fisheries sector (it is planning to introduce tilapia and cage/pen fisheries) within selected CIGs. The project in consultation with CIG members selected farmer(s) for demonstration of 'new' product (new to the areas) and technologies, in most of the cases new field crops varieties such as HYV rice, potato and sweet potato, horticulture such as off-season watermelon, tomato, pumpkin, eggplant, various gourds, livestock such as Sonali chickens, koyel bird, broiler chicken, ducks, sheep etc. In case of horticulture the project selected fallow land to bring in additional land under production. The mission visited several such demonstrations, which were impressive in terms of production output and profitability, and potential for future expansion, for example the off-season watermelon in Lakhai upazila of Habiganj district. The project organized field days to disseminate the outcome of demonstrations in case of field crops and horticulture. The local agricultural line agencies also assisted the farmers. In many cases, the project staff members brought seeds (for example, from potato seed from BADC in Netrokona, fruits and vegetable seeds from market), ducklings from neighboring duck farms and went with selected farmers to buy sheep from local market. Normally the produce is sold in local markets or to local traders. One exception is watermelon where the producer will be selling the melons in Dhaka in July 2014.

38. The project has provided part of total production cost (except in case of koyel bird where 100% cost was given) to reduce risks and convince the farmers to try out new products. The project in some instances provided the money to selected farmers and in other cases agreed with the CIGs to rotate the one time grants within the CIGs. The mission recommends that the project develops a uniform policy regarding a) ceiling of project grants to be given for each demonstration or each group, b) rotation of the grants to other members, c) number of demonstration in each CIG, and d) use of the grant money at the end of the cycle. This should be done within the limit of the total budget.

39. A number of other issues need to be addressed: a) demonstration is not an objective by itself but a catalyst to encouraging more and more farmers to adapt the specific product or group of products; b) farmers' training and demonstration are not independent events but should be part of value chain development to bring in systemic changes in the selected sectors. The project should further analyze opportunities and constraints in the next planning cycle of planning and develop strategy for each sector. The strategy should include activities to remove constraints in input supply, farming, marketing/trading, physical markets, and service sector (see below in para 44).

40. Local Service Providers (LSPs): Currently project beneficiaries and other farmers depend mostly on DAE for training, extension, and in some cases seeds for new varieties etc. However, it important to develop a complementary system by developing local service providers (LSPs) such as local private trainers, local lead farmers as extension agents, local private vaccinators, private quality seed sellers etc since it is impossible for a few government extension officials to serve disperse population in a difficult terrain.

41. Important service market development: A number of services are found to be critical and need extra attention: a) quality seeds/plants for all crops, horticulture, and fingerlings for fisheries are common problem. The project needs to develop local farmers and sellers in cases of HYVs, local fruits nursery owners for plants including plants for swamp forests, and local dealers of hybrid seeds, agents for day-old-chicks of big companies, and village level chains for Sonali chicks for sustainable development of value chains. Project beneficiaries and other farmers need to be introduced to these private suppliers. b) vaccination and animal health services are now fully dependent on DLS, which does not have enough manpower and vaccines/drugs to service all producers. It is critical that the project develops a complementary network of local private paravets so that farmers can buy services from them. The project should train adequate number and provide them with fridges to maintain cool chain for vaccines. The present practice is to provide free vaccines from DLS or the project covering the cost. This is unsustainable although creates initial demand. c) Promotion of pheromone traps for production of safe vegetables (eggplants and cucurbits) throughout the project areas and not only to CIGs in collaboration with pheromone manufacturers.

42. Fisheries: Under HILIP a small amount of resources is available for cage fisheries. The project should reexamine profitability of such production techniques before embarking on demonstration of cage fisheries.

43. Value chain strategy: The mission discussed with the project team the following value chain development strategy for each of the four sectors:

- Field Crops: a) Develop good seed suppliers within the villages for HYV varieties and local markets (dealers) for HYV and hybrid varieties; b) develop local extension agents and trainers (lead farmers and input sellers); c) expand new varieties of field crops through demonstrations, farmer training, exchange visits, persuasion etc; d) establish linkage with local traders.
- Horticulture: a) Develop good seed suppliers within the villages for HYV varieties and local markets (dealers) for HYV and hybrid varieties; b) develop local extension agents and trainers (lead farmers and input sellers); c) expand new varieties of field crops through demonstrations, farmer training, exchange visits, persuasion etc; d) establish linkage with local traders.
- Poultry and livestock: a) Develop local day-old-chick and duckling suppliers by expanding improved incubation technologies at the village level; b) promote local and Sonali chicken varieties; c) promote sheep in haor unions; d) develop commercial vaccination and animal health services through developing a network of paravets.
- Fisheries: a) establish contacts of farmers with good fingerling suppliers and develop local fish nurseries; b) promote pond fisheries; c) promote simple hygienic fish drying and package/marketing system.

44. The project has prepared a total of 56 ponds for production of mono-sex tilapia and is waiting for rainwater and availability of seeds for stocking. Household ponds in the roadsides villages of the haor areas are suitable for both Tilapia and carp polyculture. The lessons can be widely applied for the upcoming CALIP project's pond fisheries component. Polyculture of Tilapia, silver carp and mrigal/calbaus (ratio: 5:2:3) may be a good proposition for the pond fisheries.

45. Fingerlings production, especially of carps (rui, catla, mrigal, silver & grass carp) and Tilapia, by the women CIGs is expected to improve economic conditions of rural poor.

46. Cage aquaculture in beels has been planned and preparation was visible. Cages can be placed in the flowing rivers as well. Pond-cage integration with high value fish in cages and Tilapia and/or carps in open ponds may be worth trying.

47. Linkage with MFIs: As experienced in MIDPCR, FEDEC and other value chain development projects, the best financial results are produced when farmers have access to financial resources along with technical and extension services. Since HILIP is not providing credit, the project needs to establish linkage with national and local MFIs with CIG members. The mission found that a section of CIG members are already borrowers of MFIs, and it would not be difficult to introduce other with MFIs serving in the areas. However, the CIGs must not be tempted to become self-help credit groups as this approach has failed in the country.

48. Staff development: The project has recruited field staff members of various backgrounds for livelihoods protection (value chain development) component who do not have uniform understanding of the approach. It is critical that the project arrange training for all staff members under components 3

and 4 on enterprise management and value chain development. It may be useful to include other PMU staff members to have basic understanding of how private market functions and value chain development approach. It may engage individual experts or organizations such as IDE, which worked with MIDPCR to conduct such training courses. The project may use training materials developed under another IFAD-funded project (FEDEC) for this purposes. Besides sector study reports of MIDPCR may also be used as training materials. Besides, the project may provide emphasis on value chain and sector development, market management, community resource management in choosing overseas training.

Agreed actions	Responsibility	Agreed date
Complete formation of target CIGs in all 14 upazilas.	PMU/DMU/UMU	December 2014
Develop local service providers such as trainers, extension agents (expert farmers), paravets etc from within the community and other actors in the value chain such as input sellers, traders etc.	PMU/DMU/UMU	Start immediately
Revise training modules for farmers training to reflect only required minimum information and description of contents.	PMU	June 2014
All training courses should be hands on and conducted at or near good farms.	PMU/DMU/UMU	Start immediately
Hold meetings with trainers and potential trainers to orient them on training courses and method of delivery.	PMU/DPMU/UMU	Start immediately
Identify additional high value products and technologies such as – potato for demonstration and organize demonstration in clusters as much as possible.	PMU/DPMU/UMU	Start immediately
Develop uniform policy regarding ceiling, number of CIG members in each round of demonstration, rotation and final use of demonstration grants and circulate it in all project offices.	PMU/DMU/UMU	June 2014
Document profitability and other experience of all demonstrations and disseminate them to farmers on field visit. Also post the same on HILIP website.	M&E/PMU/DMU/UMU	Start immediately
Develop implementation plan for FY2104-15 by sector and by upazila reflecting the value chain development strategy explained in the aide memoire.	PMU/DPMU/UMU	June 2014
Develop quality seed suppliers, chick and duckling producers, nursery plant suppliers, fish nurseries in villages and local market places as appropriate.	PMU/DPMU/UMU	Starting May 2014
Develop commercial vaccination and animal health service providers at the local level and develop reliable commercial vaccination and health services. Train paravets as per project plan.	PMU/DPMU/UMU	Starting July 2014
Revise paravet training cost as per current market price and include it in AWPB of FY2014-15.	PMU	June 2014
Promote application of pheromone traps in all project upazilas for eggplants and cucurbits in association with CIGs and private companies.	PMU/DPMU/UMU	Starting May 2014
Establish linkage of CIGs with local MFIs and branches of national MFI.	PMU/DPMU/UMU	Starting August 2014
Train all field staff members of Component 3 and component 4 on enterprise development and value chain development. Include other PMU/DPMU/UMU staff members in such training courses.	PMU	August 2014

D. Project Implementation Progress

49. **Project management performance.** *The performance of this subcomponent is rated satisfactory (5).* 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). The first steps of inter-agency coordination and collaboration were made involving the technical line agencies such as DLS, DAE and DoF. The project activities are being implemented in all five districts as per AWPB 2013-14.

50. **Staffing.** The project has completed recruitment of key positions at the PMU, DPMU, UMU levels and staff is working on the respective positions. An experienced Livelihoods Specialist has been recruited to implement and coordinate all activities of Component 4. The TOR for social organizer (livestock) has been revised and the PMU is in the processing of recruiting them.

51. **Coherence between AWPB and implementation is rated satisfactory (5).** Overall, field implementation operations observed by the mission were in line with the AWPB 2013–14 and the project has made significant progress in terms of implementation of all activities as per the approved AWPB 2013-14. The progress and field activities reflect momentum in the field operation and continuous guidance and supervision from the senior officials including the Project Director.

52. **Monitoring and Evaluation.** *The Project's performance in M&E is rated moderately satisfactory (4).* HILIP's M&E work is led by an M&E and Knowledge Management (MEK) Specialist at PMU level. Output data is collected by the District Monitoring Officer in collaboration with the different field organisations and staff. The information is collected disaggregated by gender through prescribed formats and submitted electronically. The mission's interactions with the district monitoring officers confirm their thorough understanding of M&E work and that quality control mechanisms for the data are in place. Outcome data is not yet collected. Respective processes (KAP surveys, PME, annual household surveys etc.) should be put in place now as first outcomes are already visible. Impact is monitored through IFAD's Results and Impact Monitoring System (RIMS). The project has conducted the RIMS baseline survey, which is available in hard and soft copy. The project should request the raw data from MITRA for further analysis. The mid-term study should be scheduled ahead of the MTR mission to ensure that results are available to the mission.

53. The M&E unit produces regular progress reports. These summarize the quantitative progress of the different activities. Qualitative information, particularly on the soft components, should be added, as well as information on targeting, partnerships and knowledge management as per PDR. While a lot of focus is placed on data collection and compilation for progress reports, data analysis and informational presentations fall somewhat short. This should be corrected to ensure that the M&E system serves as a management tool.

54. The M&E work follows an M&E action plan, drafted by the MEK Specialist, which would need further refinement to effectively guide the project's M&E work: (i) conduct and include analysis of monitoring needs; (ii) include plan of specific surveys and assessments to be conducted during the project implementation; (iii) expand timeline to cover the complete project period rather than the Specialist's contract period; (iv) include specific surveys and M&E activities in the timeline to enhance its utility; (v) include a M&E matrix with all monitoring needs, indicators (including all logframe indicators), data gathering method, responsibilities and reporting mechanism; (vi) include available resources and budget needs. The M&E system should further establish processes to monitor use of profit money of LCS and BUG and women empowerment, for example through IFPRI's Women's Empowerment in Agriculture Index.

55. **Gender focus.** *The project performance on gender focus is rated satisfactory (5).* The project's gender work is led by the PMU Gender Advisor (GA) and follows a Gender Action Plan that highlights gender related issues, targets and responsibilities for all activities. Trainings have been extended to all staff, including district and upazila staff. A training manual has been prepared and gender specific sections have been included in all other training manuals. The GA has further written a number of case studies that have been distributed within the project team and uploaded on IFADAsia. Project progress reports include a specific gender section and staff on all levels sensitized on gender issues, including the PD, whom the mission has experienced as a champion for gender issues in meetings with beneficiaries.

56. HILIP promotes and strengthens women's participation and leadership positions in all components, particularly through grassroots institutions (LCS, BUGs, CIGs and MMCs). These offer women an opportunity to take on employment and leadership positions – often for the first time in their lives. The mission interviewed a number of LCS members who reported that they now earn more than their husbands and that it was now them who decide how the money was spend. One LCS group set up a childcare facility, run by the LCS members themselves. This model should be considered for scaling up in other areas, not only for LCS, but also during trainings.

57. As of March, women participation was highest in CIGs with 58%, followed by 45% LCS (natural resource management) 36% LCS (community infrastructure) and 25% BUGs. Enhanced efforts

should be made to reach the gender targets as defined in the Project Implementation Manual (PIM). The Gender Advisor's work time per year should be increased for the initial years of implementation.

58. **Poverty focus.** *The project performance in poverty focus is rated satisfactory (5).* Field visits found that as per design, members of LCS, BUGs and CIGs were predominantly destitute women and men, in the case of LCS mostly landless. The mission has met with some communities who are now for the first time receiving extension support. Interventions such as demonstration plots and infrastructure are expected to have a significant impact on the whole community (beyond HILIP project participants).

59. **Effectiveness of targeting approach.** The project performance in effectiveness of targeting approach is rated satisfactory (5). HILIP follows a targeting approach that is based on poverty criteria and participatory consultations for both geographic targeting and selection of beneficiary households and individuals. Meetings with several beneficiary communities and field staff confirm, that the group formation has indeed followed a participatory and consultative approach. Household surveys were conducted to assess the household wealth categories and ensure the focus and the inclusiveness of the disadvantaged groups. There is no evidence of discriminating the poor and the women in access to opportunities offered by the Project. The project is also working with ethnic minorities (Garo community in Netrokrona).

60. **Knowledge Management, Innovation and Learning.** *The project performance on innovation and learning is rated moderately satisfactory (4).* HILIP is scaling up successful interventions of two previous IFAD-supported projects, the SCBRMP and MIDPCR. Particularly under Component 4, it has introduced a number of innovations, such as new agricultural technologies and cultivation of fallow land. The ASAP-funded CALIP will provide further space to pilot climate change resilience building and livelihood enhancing innovations.

61. Given the size and diverse nature of the project, an effective learning and knowledge management system is crucial to exchange lessons and information among the different levels and to capitalize on the internal knowledge stock from previous projects (SCBRMP and MIDPCR). The responsibility lies with the MEK Specialist of the PMU. Up to today KM activities have been actively supported by the Gender Advisor. Outputs as of today include a number of brochures, publications on IFADAsia, trainings and manuals and events at field level. Meeting minutes are prepared and circulated among PMU, DMU and UMU level staff. At field level, the establishment of progressive farmers, who act as knowledge champions for innovative technologies, field days and commemoration of, for example, women's day and fisheries week, support knowledge transmission to non-project farmers. To ensure that DMU and UMU staff have access to most up to date project documents and information, a central data sharing drive should be created, that can be accessed remotely.

62. The MEK Specialist has drafted a M&E and Knowledge Management Action Plan, which should be further enhanced by adding, among others, (i) project stakeholder (including beneficiaries) and information needs; (ii) assessment of information flow and KM processes within the project; (iii) concrete activities at the different levels and (iv) a concrete work plan (including responsibilities, resource needs, targets and performance indicator) for the project period. Under the guidance of the MEK Specialist, all Social Organizers should prepare case studies on the different activities, documenting profitability, process, success, challenges and lessons learned, which can be used for replication of the activity in other districts. Templates can facilitate the process and ensure that all required data is collected. These case studies could be published on the project's website, on IFADAsia and the LGED newsletter. Evidence-based knowledge products should further be shared with relevant agencies and decision makers. To ensure an extension of the access rights to BUG, the project should already now engage in a policy dialogue with respective decision makers.

Agreed actions	Responsibility	Agreed date
Revise M&E and KM action Plan and share with IFAD and adjust M&E and KM work accordingly.	PMU	30 June 2014
Increase work time of Gender Advisor from 4 to 6 months per year until mid-term review.	PMU	30 June 2014

E. Fiduciary Aspects

63. **Financial Management.** *The project performance in financial management is rated moderately satisfactory (4).* The financial management and disbursements are implemented in the PMU, DMU and UMU. The PMU has downloaded funds to the five (5) districts project coverage in accordance with the AWPB for communications, community infrastructures and other project activities.

64. As noted in the first SIS mission, the LGED financial software (Uniform Financial Management System or UFMS), which is used for recording and producing financial reports has to be modified as necessary to meet the reporting requirements of the project. The PMU has already advertised on 15 and 17 March 2014 in two local newspapers the requirement of MIS Expert for the computerization of accounting system, and its Proposal Evaluation Committee is currently evaluating those that have responded to the advertisement. It is expected that the MIS Expert could be contracted by June 2014.

65. The project at the district level keeps cash book, general ledger, government funds register and the advances register. The general ledger has columns for expenditure government funds and Reimbursable Project Aide (RPA) for IFAD loans and grants and STF. In Habiganj, the general ledger columns for government funds showed gross bill, Income Tax (IT), Value Added Tax (VAT) and Net Payment. There were no columns for security deposit and laboratory test fee which are deducted from the government share on the bill thus the net payment is not presented well. The information on SD and Lab Test fee could be obtained in the government funds register. The ledger also has no columns to reflect the cash advances payment and liquidation. The payment for cash advance is recorded as expenditure and future liquidation of the cash advance is a deduction from the expenditure column. The report of expenditure is not accurate as it does not capture very well at the time of reporting the actual expenditure for the period. Advances to LCS for the community infrastructure are recorded as expenditure at the time of payment.

66. The mission suggested that since information for the government funds are recorded in the government funds register, the columns in the general ledger for the government funds could be replaced with cash advance columns for posting of advance (addition or debit) and liquidation (as deduction or credit) and subsequent posting to the RPA expenditure column of the liquidation (as addition). Source of the posting will be the cash book and advance register where advances and liquidation (bill adjustment supported with bill vouchers). The mission advised the PMU finance to revise the ledger and report of expenditure to reflect the advances and actual expenditure for the period and to date and not to include the uncleared advances in the SOE for support to WA. Further, the PMU should submit the IFAD in the next WA a correct SOE with adjustment of uncleared advances which were reported in the previous SOEs/WA.

67. The balancing difference appearing in the Special Account Reconciliation of 18 February 2014 to support WA 6A, between the total IFAD advances to the SA and the total advance as accounted for, of USD 775,658 was lodged as outstanding advance to be cleared by the Project Accounts. This amount is a mere calculation and not supported by summary of uncleared advances. The mission advised that the XEN and DMU of the five districts should submit to the PMU at least quarterly details of individual advances that will tally to the total uncleared advances to support the amount reported in the SA reconciliation.

68. The latest progress report dated 31 March 2014 prepared by the PMU disclosed that the actual cumulative expenditures reflected in the report are only updated until end of January 2014 as a consequence of manually preparing the reports using excel spreadsheets. The timely consolidation of expenditure with reliability and accuracy will improve once the accounting system is computerized at all levels of funds disbursement and recording.

69. The mission reviewed the financial documents at the PMU and noted the following: (i) Processing of payments and supporting documents to disbursement vouchers were in order with appropriate certification from the Finance Officer and approval from the PD; (ii) the WAs processed were for the initial advances against IFAD Loan and Grant and STF, 100% advance for the AWPB 2013-2014 and funds release for expenditure claimed for reimbursement under WA 6a USD0.91 million (Loan) and WA 3b USD0.011 million (Grant) and 6c EUR 0.38 million (STF).

70. As of 31 March 2014, IFAD has transferred a total funds equivalent to USD12.2 million to the 3 DAs; USD8.65 million from IFAD Loan, USD0.050 million from IFAD Grant and USD3.50 million from STF. The Government funds has also allocated a total of USD2.60 million from the approved budget.

The balances as of 31 March of the designated accounts and the Project Account equivalent to a total of USD 4.90 million.

71. The mission reviewed financial transactions in the five districts and noted the following:

- The disbursement vouchers are properly certified and approved and necessary supporting documents are attached. The mission noted that LCS advances are cleared in the succeeding billings against Certified Statement of bill of materials and labour for works performed, signed jointly by signatories of Upazila, DMU and XEN. For communications infrastructure payment are effected against certification of bills by the Upazila engineers.
- There is no certification on actual physical progress in terms of works accomplishment to support the running bill of the contractor which is paid based on Upazila certification. For the LCS, which is basically pre-financed by the project, the bill with supporting vouchers would suffice to liquidate the initial advance and received further advance. For the contractor which is expected to pre-finance the construction works, the mission advised to support payment with a certification from LGED of the physical progress of works accomplishment reflecting percentage of completion. This could be reflected in the measurement book. The monthly progress report on infrastructure should likewise reflect both financial (percentage of bill of works paid against contract amount) and the physical progress (percentage of works completed against the works required (as certified by the LGED engineer). The LGED engineers agreed that the certification on percentage actual physical accomplishment of the construction could be provided to support payment for the bill of works by the contractors.
- The mission advised also that payments to contractors could be limited to 3 to 4 instalments with corresponding percentage of completion, rather than as required or demanded by the contractor. The payment to contractors should be less than the percentage of completion.
- In Kishoreganj, the security deposit (retention money) is deducted from the payment against IFAD fund up until 2 February 2014 and deposited to the XEN bank account. The balance of the XEN bank account for the security deposit is BDT 5.1 million (USD63,750) and to be paid later to the contractors after the one year retention period lapses. From 3 February 2014, the security deposit has been deducted from the Government funds, hence releases of the SD to contractors will be made directly from the Treasury upon recommendation by LGED. In Habiganj, the SD is deducted from the bill of government funds. The mission suggests that the SD should be deposited to the Government rather than kept in a personal XEN account.
- Bank reconciliation in Habiganj for January 2014 needs to be corrected as it did not reflect the correct end of month cash book balance and the outstanding check. In Netrokona, the Bank Reconciliation should likewise be corrected to reflect the end of month cash book balance rather than reflecting remittance of BDT5,000,000 (USD62,500) from PMU twice as recorded in the cash book and as shown as addition to bank balance in the reconciliation. The mission advised that even the cash book and bank balance is the same and there is no reconciling item, the bank reconciliation should be prepared monthly.

72. The PMU has conducted a one-day orientation and training for all the finance and account assistants, in the area of IFAD-required financial operations and reporting. The mission assessed that technical capacity of the accounting staff in the PMU and 5 districts (XEN and DMU) and concluded the need for improvement particularly in the recording to the general ledgers, preparation of financial reports such as SOEs and Bank Accounts Reconciliation, Report on Utilization of Funds Received taking into account cash bank balance, expenditure, interest income, bank charges and summary of uncleared advances (supported with detailed individual advance balance as recorded in the advance register).

73. The mission noted that the Accountant of the PMU as appointed by the Government, who replaced the first accountant, assumed office in HILIP on 23rd December 2013. He will retire from the Government in February 2015. The mission suggests that the project plans for the recruitment of his replacement early so that proper handover could be made. The mission further suggests the project hire him as financial consultant for one or two months upon his retirement to assist and provide advice to his replacement and ensure that the computerization of the accounting system will be implemented well.

74. The mission advised that interest income generated from the fund balances in the bank accounts should be remitted to the Government Treasury on regular periodic basis. As of 31 January 2014, the total amount of interest is BDT653,618 (USD8,170).

75. Fixed Asset Register has already included information on inventory tag, location of the asset and user. Receipt of fix assets is also acknowledged and signed by recipient. Some project vehicles have vehicle log indicating the travel details as acknowledged signed by the passengers. The mission advised that all project vehicles should have a log book. DMU offices located in the LGED buildings are equipped with enough office equipment and furniture.

76. **Disbursements.** *The project performance in disbursements is rated moderately unsatisfactory (3).* While total funds available for the project stood at USD 14.80 million (from IFAD, STF and Government), actual amount disbursed by the project (actual expenditure) was reported at 9.85 million or a low 8.4 % of the amount of the project budget.

Table 1: HILIP Actual Expenditure Reported as of 31 March 2014

Fund Source	Total Approved Budget (USD M)	Amount Expenditure (USD M)	% Expenditure vs. Budget
IFAD Loan	55.00	5.04	9.17
IFAD Grant	1.00	.01	1.16
Spanish Trust Fund	30.00	2.32	7.72
Government	32.00	2.48	7.75
TOTAL	118.00	9.85	8.35

77. The last SIS mission suggested that inasmuch as the AWPB for 2013-2014 is anticipated to reflect the various activities in all the components, the PMU should request for increase the level of authorized limit of advance equivalent to USD3 million for the IFAD Loan and USD2 million for STF. The current balance of IFAD advances for the loan is SDR3.46 million (USD5.32 million), for IFAD Grant, SDR .024 million (USD0.37 million) while the STF is at EUR 1.88 million (USD2.55 million), which met the funds level as suggested in the previous SIS mission.

78. The PMU estimates that cumulative expenditure from loan effectiveness 18 July 2012 to 30 June 2013 will reach to Taka 1.12 billion (about USD13.9 million), almost 94% of the total funds available of USD14.80 million. For Fiscal Year 2013-2014, with a budget of Taka 900 million (USD11.25 million), the projected expenditure is 11.12 million (actual expenditure for 2012-2013 was USD2.78 million) The PMU will prepare WA with correct supporting SOEs and Special Account Reconciliation for submission to IFAD. AWPB for 2014-15 is likewise being prepared and scheduled to be completed and submitted to IFAD by 31 May 2014. The project has submitted on 29 April 2014 its budget plan for 2014-2015 to the Ministry of Local Government and Rural Cooperative Division through the Ministry of Finance for approval.

79. **Counterpart Funds.** *The project performance in the counterpart funding is rated moderately unsatisfactory (3).* Disbursement of the GOB counterpart funds is reported for a total of USD 2.48 million or 7.75% of the total approved budget of USD 32 million. The disbursement will improve in the upon receipt of the additional allocation this month and expected disbursement up to 30 June 2014.

80. **Compliance with Loan Covenants.** *The project performance in compliance with the loan covenants is rated satisfactory (5).* The project has complied most of the legal covenants. The AWPB for fiscal year 2013 to 2014 ending 30 June 2014 was submitted to IFAD on 26 August 2014. The AWPB for 2014 to 2015 due on 30 April 2014 has not yet been submitted to IFAD. The PIM has been submitted to IFAD on 7 January 2014. All government staff is covered with group health and accident insurance, the premium deducted for staff salary. Project vehicles and motorcycles are insured.

81. **Procurement.** *The project performance in procurement is rated satisfactory (5).* The procurement process strictly follows the provisions of the Government procurement rules and regulations. The mission reviewed the procurement documents at the XEN office for the contracts for

communication infrastructure in the five districts and found them in order with appropriate documentation: Estimate/Design/Specifications, bid documents, Invitation to Tender (advertised in the government central procurement and LGED websites and two local newspapers), Opening and Evaluation of Tender and signed contracts and found them in order. Procurement over USD200,000 are submitted to IFAD for prior review and no objection.

82. Contract register for all procurement of goods and works which is regularly updated should henceforth be provided to the IFAD Country Programme Manager (or in lieu to the IFAD Country Programme Officer) as required in the Letter to the Borrower.

83. The position of Procurement Specialist remains vacant after several publication of its requirement due to unattractive package of two-month workload per year. The PD explained that the PMU has technical experts in procurement and most goods already procured. With regards to procurement of works, the technical experts of the project are sufficient to implement transparent and accountable procurement process and implementation, and the procurement specialist is no longer required. The Project has likewise undertaken procurement of several works (communications and community infrastructure) in line with the annual procurement plan.

84. **Audit.** *This activity is rated satisfactory (5).* The last fiscal year ended on 30 June 2013 and the project financial statements, special accounts and SOEs has been audited the Foreign Aided Projects Audit Department (FAPAD) of the Government. The audit report has been submitted to IFAD on 23 December 2013 through the Country Programme Officer (FAPAD provided copy of the report). The mission reviewed the Audit Report and confirmed that it is in line with the requirements of the IFAD: There is Separate Unqualified Opinion each for the financial statements, special accounts, WAs and SOEs and management letter with audit observations. There were six audit observations and three have been settled. Appendix 10 of the AM is the audit observations log.

85. In light of the above, the Fiduciary Risk rating will be maintain as Medium. The project has to improve in keeping accounting records and financial reporting. The accuracy of financial reports preparation has to be improved as well as recording to the general ledger and advance register. The computerization of accounting records and reporting at all levels should be implemented within this year. The PMU has to conduct further training to finance and other staff on accounting records and reports in the format of IFAD, preparation and implementation of AWPB.

Agreed actions	Responsibility	Agreed Date
Computerize PMU/DMU/XEN accounting records and reports by customizing LGED accounting software.	PMU	31 Dec. 2014
Train finance staffs posting to the general ledgers, preparation of financial reports such as SOEs and Bank Accounts Reconciliation, Report on Utilization of Funds Received taking into account cash bank balance, expenditure, interest income, bank charges and summary of uncleared advances (supported with detailed individual advance balance as recorded in the advance register).	PMU	31 May 2014
Revise general ledger to provide columns for advances and RPA (IFAD Loan, Grant and STF).	PMU	20 May 2014
Submit to IFAD, the AWPB for Fiscal Year 2014-15 and Annual Procurement Plan.	PMU, XEN, DMU	June 2014
Provide in the measurement book a certification of percentage of completion for the communication infrastructure for every payment paid to the contractor.	LGED Engineer	31 May 2014 onwards
Submission of contract register monthly to the IFAD Country Officer, starting for the month of April 2014.	PMU	Monthly

F. Sustainability

86. **Institutional sustainability.** *The performance in institutional sustainability is satisfactory (5).* The core strategy of sustainability in the project design is to implement the project by sustainable institutions and develop organizations and methodologies to ensure sustainability. The roads constructed under the project are expected to be maintained by LGED with government funds. LCS groups are constituted for a one-off involvement in construction work only but the project is recommended to establish linkage with microfinance institutions. The old beels are managed by BUGs and the same will be followed in HILIP in all new beels. A number of beels have already been registered as cooperatives to receive continuous lease from DoF after the end of the project. However, it is not yet guaranteed that all beels will be leased to BUGs indefinitely by DOF. The most challenging component regarding sustainability is the Livelihoods Protection component which will follow a value chain development approach and will rely on private sector for input supply and selling of farm produce. Although some extension services and training and inputs are arranged by the project staff the strategy is to develop local service providers in all aspects. The CIGs are not designed to be permanent organizations rather informal groups to disseminate technologies. If CIG members are successfully linked with MFIs it would be sustainable services without project's involvement.

87. **Social sustainability (Empowerment).** *The performance in social sustainability is satisfactory (5).* It is early in the project life but some LCS members have reported improvement in their wellbeing and importance in the society due to training, increase in income due to wage and profit. LCS members spoke confidently with the mission and assisted in evaluating progress of the project. Members of BUGs have reported better life due to lump-sum annual income from the beels. Many CIG members, especially those who successfully implemented demonstrations of various products reported increase in income, management skills and plan for expansion of their farming activities in the near future.

88. **Economic and financial sustainability.** It is too early to measure the economic and financial sustainability of the project interventions. But initial impression from demonstrations under component 4 shows significant profits generate from sales of the produces.

89. **Technical sustainability.** *The performance in technical sustainability is satisfactory (5).* The production technologies promoted under component 4 show signs of adoption by other farmers. The fish sanctuary, beel management, harvesting practices led to increase in production. The construction of submersible RCC roads in haor areas is an important technical sustainable option for road infrastructure.

90. **Environmental sustainability.** *The performance in environmental sustainability is satisfactory (5).* No environmental issues, such as drainage congestion caused by road embankments, has been seen by the mission or reported by the project. The construction of submersible roads creates no barrier for flow of water and movement of fish. In fact environment friendly technologies such as pheromone traps and sustainable beel management are promoted.

91. **Exit strategy:** *The project's exit strategy is satisfactory (5).* The strategy has been built into the design of the project, with infrastructure and private sector led livelihood activities being handled by institutions that will continue to operate after the end of the project. The maintenance of village roads is the responsibility of LGED with resources from the government. The livelihoods component follows a market-based approach and is therefore expected to continue without long-term support from the project.

G. Other

92. The baseline RIMS assessment has been completed and will be used to compare impacts of the project along with other sector specific impact studies.

93. **Physical and financial assets.** *The performance in physical and financial assets is moderately satisfactory (4).* It is too early to assess impact of the project on increase in physical and financial assets. However, some members of LCS groups reported increases in livestock and consumer durables by utilizing income from wage and profits of completed works. Similarly, CIG members reported increase in poultry and livestock from income. But people in the area reported loss homestead and high annual expenses to protect homestead from wave action.

94. **Food security.** *The performance in food security is rated moderately satisfactory (4).* It is too early to have full assessment of food insecurity within the project beneficiaries and population in general.

95. **Increase in incomes.** The project performed satisfactorily in increasing income of the direct project participants. As mentioned earlier LCS members and some members of CIGs reported increase in income but more robust measurement can only be expected from mid-term RIMS.

96. **Health.** One of the acute problems in haor areas is the lack of any credible primary health care services, which makes construction of upazila, union and community roads critically important. A wide network of roads would have created opportunities for access to very basic health care and family planning services.

97. **Policy impact.** Any significant policy issue is yet to be pursued. One important issue would be permanent access of beels for the poor households around the beel areas.

98. **Other impacts.** A better interaction between private inputs sellers and farmers, access to larger markets such as Sylhet and Dhaka through middlemen has been reported.

H. Conclusion

99. The project has made good progress in all components during the second year of implementation. Project management performs well and is satisfactory in terms of gender and poverty focus and sustainability.

100. The project will be instrumental in developing a good road network to connect remote and vulnerable villages and in improving income and wellbeing of one of the most economically and socially depressed areas of the country. The main focus in the next and coming years has to be the expansion of activities to make up for lost time and fully utilize the limited construction period available in the haor districts through proper advance planning and strong monitoring and supervision from the PMU, five XEN offices and district project offices. By the end of next year, 30% of physical targets should be achieved.

101. Financial management overall has been found moderately satisfactory. While disbursement has been slow at the time of the mission, it is expected to improve by the end of this financial year. With the Accounts Officer retiring in February 2015, project management should plan early for his replacement to ensure continuity on this key position.

102. Areas requiring particular attention are: (i) Construction works should be expedited to completed as much as possible before monsoon starts. Going forward, in order to utilize the full construction period, all procedural works, including award of contracts for physical activities, should be completed by October for the following financial year to facilitate carrying of construction materials during rainy seasons and to start works immediately after the rainy season; (ii) the transfer of 200 new water bodies from MoL to HILIP should be completed by June 2015; (iii) The strategy for activities under component 4, livelihoods protection, should be constantly reviewed and refined in line with markets and arising opportunities; (iv) M&E and knowledge management activities need to be further strengthened.

103. The next supervision mission will be held in January/February 2015.

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

Appendix 1: Summary of project status and ratings

A. Basic Facts

Country	Bangladesh		Project ID	1585	IFAD Loan #	I-847-BD
					IFAD Grant #	I-C-847-BD
					Spanish TF Loan #	E-3-BD
Project	Haor Infrastructure and Livelihood Improvement Project				Supp. Loan/Grant	
Date of Update:	10-May-2014	Last Supervision	N/A		Financing terms	HC
Supervising Inst.	IFAD/IFAD	No. of Supervisions	1			
						USD million Disb.rate%
Approval	15-Sept-11	Quality at entry rating		Total costs	118.0	
Agreement	18-July-12	Effectiveness lag		IFAD loan	55.0	15.72
Effectiveness	18-July-12	Problem project		DSF grant		
MTR				IFAD grant	1.0	5.06
Current completion	30-Sept-20	Last Amendment		Domestic	32.0	8.14
Current closing	31-March-21	Last Audit	December 13	Spanish TF	30.0	11.66
No. of extensions	0					

B. Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	4	1. Quality of project management	3	5
2. Acceptable disbursement rate	3	3	2. Performance of M&E	3	4
3. Counterpart funds	4	3	3. Coherence between AWPB & implementation	4	5
4. Compliance with loan covenants	4	5	4. Gender focus	4	5
5. Compliance with procurement	4	5	5. Poverty focus	4	5
6. Quality and timeliness of audits	N/A	5	6. Effectiveness of targeting approach	4	5
			7. Innovation and learning	4	4
			8. Climate and Environmental Focus	NA	5
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Component 1: Communication Infrastr.	4	5	1. Institution building (organizations, etc.)	4	5
2. Component 2: Community Infrastructure	4	4	2. Empowerment	4	5
3. Component 3: Com. Resource MGT	4	5	3. Quality of beneficiary participation	4	5
4. Component 4: Livelihood Protect.	3	5	4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	5
			6. Potential for scaling up and replication	4	4

B5. Justification of ratings

Project management performs satisfactory, which has had major impact on the progress of the project. Gender and poverty focus are strong and the project is scaling up successful interventions of the SCBRMP throughout the haor basin. M&E and KM needs to improve. Disbursement is still slow but expected to increase to an acceptable level at the end of the fiscal year.

C. Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	NA	4
C.2 Food Security	NA	4
C.3 Quality of Natural Asset Improvement & Climate Resilience	NA	5
C.4 Overall implementation progress	4	5

Rationale for implementation progress rating

The project has made considerable progress (both in terms of cumulative and annual achievements) in all components during the current

financial year, and further progress is anticipated during the remaining quarter of the year. Time lost during the first year of implementation has almost been made up for. In most components, 90% of targets of this financial year have been achieved.

C 5 Likelihood of achieving the development objectives (section B 3 and B4)	4	5
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Rationale for developing objectives rating

While still slightly behind in the overall project schedule, the project has shown over the last months that it will be able to meet targets and make a significant contribution to livelihoods in the haors.

C 6 Risks

Fiduciary aspects	Accounting system is yet to be computerized. Improvement in some aspects are suggested. Disbursement is slower than planned.
Project implementation progress	Component 3 must be expedited to make up for loss of time. Overall physical progress must be expedited in FY2014-15 to ensure completion of 30% of work by FY2014-15.
Outputs and outcomes	The project need to monitor preliminary impacts of works completed during the last two years, especially those of Component 3.

D. Follow-up Action

Issue/problem	Recommended Action	Status/Timing
Financial management	Computerize PMU accounting records and reports by using a double-entry accounting system with assistance of a IT specialist	By end December 2014
AWPB 2014 - 2015	Plan higher targets for FY2014-15 as suggested in the report to ensure completion of 30% overall project targets by June 2015.	By end June 2014
Component 3: water bodies	Complete transfer of all news beels to HILIP, commence organizing BUGs	June 2015

Appendix 2: 2Haor Infrastructure and Livelihood Improvement Project (HILIP)

Logical Framework (Revised, May 2014)

Narrative Summary	Objectively Verifiable Indicators	Monitoring Mechanism & Information Sources	Assumptions/ Risks
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 (under 5-year old) malnutrition by gender. (RIMS) 	RIMS and baseline surveys Increase in price of rice is a major risk	No major natural disasters.
B. PROJECT OBJECTIVE			
The development objective of the project 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 their income by at least 30 % by participating in the project. ➤ About 8,000 HHs would report reduction in losses and damages from flood waters, wave action and disease. ➤ About 35% drop in experiencing two hungry seasons (RIMS) 	RIMS surveys at baseline, mid-term and completion. Participatory assessment with target households.	Poor economic performance and slow growth. Inflation.
C. COMPONENT OUTCOMES AND OUTPUTS			
COMPONENT 1: Communication Infrastructure			
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 conditions (RIMS). 	Road user surveys. Market surveys. MICS Surveys. RIMS and baseline surveys	Slow pace of economic growth. Short of labour.
OUTPUTS: Upazila and union roads constructed. Bridges and culverts on project roads built. Boat landing ghats constructed.	<ul style="list-style-type: none"> • 250 km of Upazila and Union roads completed; • 1750 m of bridges and culverts constructed; • 50 boat landing ghats built. • 1.4 million man-days of wage employment in construction works created 	Progress Reports	Damage to roads by floods and wave action.
COMPONENT 2: Community Infrastructure			
Outcome 2: Enhanced village mobility, increase in farm production and protection against extreme weather events.	<ul style="list-style-type: none"> ➤ Traffic volume for village roads increased by 100%. ➤ 90% of project-built markets well operational (RIMS). ➤ 100% of project-built markets with MMC 	Road user surveys. Market surveys. Participatory surveys MICS Surveys.	Slow pace of economic growth.
OUTPUTS: Community roads, markets, protection works for villages and markets/informal market collection points constructed; Women and men employed for construction of project schemes.	<ul style="list-style-type: none"> • 350 km road completed; • 78 villages protection works constructed; • 78 markets developed; • Protection works for 52 village markets done; • Protection works for 90 informal market collection completed; • 2.2 million man-days of wage employment for women and men in construction works created 	Progress Reports M&E reports	Damage to roads and flood protection works by floods and wave action. Public procurement policy continues to allow direct procurement of works through LCS.

COMPONENT 3: Community Resource Management				
Outcome 3: Enhanced access of the poor men and women to sustainable water bodies with increased production capacity and biodiversity.	<ul style="list-style-type: none">➤ Around 20,000 households with improved access to water sources (RIMS);➤ 16,000 (about 80%) fishers increase their income by at least 50% from fish production;➤ 80% of BUGs managed and operated well in old and new beels;➤ Average fish catch per hectare increase.	World Fish Centre reports PMU fishery surveys RIMS and baseline surveys	Interference and control by water lords of lease rights 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.	<ul style="list-style-type: none">● 500 BUGs formed, of which 200 are new, with combined membership of 20,000 by gender;● 200 beels improved;● 100 km of canals excavated;● 1,530 people trained, by gender.	Minutes of Scheme Takeover Project Progress Reports. M&E reports.	BUG members not controlled by water lords.
COMPONENT 4: Livelihood Protection				
Outcome 4: Enhanced production, diversification and marketing of crop and livestock produce.	<ul style="list-style-type: none">➤ 20,000 HHs reporting production/yield increase by at least 30%;➤ 60% of trainees adoption technologies recommended on cropping, by gender;➤ 60% of trainees adoption technologies recommended on livestock, by gender.	RIMS and baseline surveys. Sector reports.	Seed for improved varieties and improved technologies are available.	
	Outputs: Employment and enterprise opportunities created, activities building awareness on social issues initiated, and demonstrations on crop/horticulture, livestock and fisheries implemented.	<ul style="list-style-type: none">● 960 employment and enterprise opportunities created; <u>Crop and horticulture sector</u> <ul style="list-style-type: none">■ 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> <ul style="list-style-type: none">■ 42,000 poultry and livestock farmers trained and developed■ 840 paravet trained <u>Fisheries</u> 8,400 pond and cage/pen fish farmers trained and developed	Project Progress Reports M & E reports	

Appendix 3: Summary of key actions to be taken within agreed timeframes

Component 1: Communication Infrastructure

Agreed action	Responsibility	Agreed date
Expedite implementation 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
Plan higher quantities of work each year under this component to complete all works within the project period and make up for loss of time, especially plan such a way that at least 30% of project target is met by June 2015.	PMU	June 2014
Complete all procedures and documentation early enough to start work right after monsoon.	PMU/DMU/UMU	October every year
Plant vetiver grass on road shoulders and slopes and slopes of approaching road of bridges as a critical step in infrastructure construction. Encourage poor families and LCS groups to produce vetiver near homestead	PMU/DMU/UMU	Start August 2014
Take initiative to control large heavily loaded trucks on haor submersible roads in collaboration with district administration, Upazila and union Parishad	PMU/DMU/UMU	Immediately
Include Magan UP office to Mallikpur bazaar road (union road) in Mohanganj upazila in work plan and revise DPP accordingly	PMU	AWPB of FY 2014-15
Estimate and report wage employment (man-days) created in upazila and union road construction	DMU/UMU	Immediately

Component 2: Community Infrastructure

Expedite implementation 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
Plan higher quantities of work each year under this component to complete all works within the project period and make up for loss of time, especially plan such a way that at least 30% of project target is met by June 2015.	PMU/DMU/UMU	Plan for FY2014-15 by June 2014 and continue
Plant vetiver grass on road shoulder and slopes as a critical step in infrastructure construction. Encourage poor family families and LCS groups to produce vetiver near homestead	PMU/DMU/UMU	Start August 2014
Conduct 2 day training for LCS members instead of current one day training.	PMU	Starting next batches of LCS training
Conduct a comparative study on RCC and block road as community road to be constructed by LCS groups	PMU	December 2014
Reduce disparity of wage income and profit among LCS members as much as possible.	PMU/DMU/UMU	Starting FY 2014-15
Estimate and report wage employment (man-days) created in community road and other infrastructure under this component	DMU/UMU	Immediately
Complete selection of markets for development, markets for protection work, village for protection work	PMU/DPMU/UMU	June 2014

Component 3: Community resources management

Agreed action	Responsibility	Agreed date
Complete transfer of remaining 28 SCBRMP water bodies and formation of 28 BUGs.	PMU/DMU/UMU	December 2014
Complete transfer of 200 new water bodies from MoL to HILIP.	PMU/DMU/UMU	June 2015
BUGs should stock nutrient-rich small fish mola (<i>A. mola</i>), and grass carp (<i>C. Idella</i>) and create microhabitats for fish using local materials, eg. Bamboo <i>chonga</i> .	PMU/DMU/UMU/BUGs	On going
Continue fish catch monitoring in all 293 old and 200 new beels in collaboration with BUGs. Provide appropriate register to record all fish species and respective quantities.	DMU/UMU/BUG	On going
Develop details of beel ecology, listing of biodiversity, digitized demarcation of beels, and management prescription for individual beel.	PMU/DMU/UMU	On going
Conduct third party monitoring of fish and bido-diversity in collaboration with WorldFish	PMU	December 2014
Apply vetiver grass to cover all earth from beel re-excavation to stabilize earth so that it does not wash into the beel in next monsoon season.	PMU/DMU/UMU/BUGs	On going

Component 4: Livelihoods protection

Agreed actions	Responsibility	Agreed date
Complete formation of target CIGs in all 14 upazilas	PMU/DMU/UMU	December 2014
Develop local service providers such as trainers, extension agents (expert farmers), paravets etc from within the community and other actors in the value chain such as input sellers, traders etc	PMU/DMU/UMU	Start immediately
Revise training modules for farmers training to reflect only required minimum information and description of contents	PMU	June 2014
All training courses should be hands on and conducted at or near good farms	PMU/DMU/UMU	Start immediately
Hold meetings with trainers and potential trainers to orient them on training courses and method of delivery	PMU/DPMU/UMU	Start immediately
Identify additional high value products and technologies such as – potato for demonstration and organize demonstration in clusters as much as possible	PMU/DPMU/UMU	Start immediately
Develop uniform policy regarding ceiling, number of CIG members in each round of demonstration, rotation and final use of demonstration grants and circulate it in all project offices	PMU/DMU/UMU	June 2014
Document profitability and other experience of all demonstrations and disseminate them to farmers on field visit. Also post the same on HILIP website.	M&E/PMU/DMU/UMU	Start immediately
Develop implementation plan for FY2104-15 by sector and by upazila reflecting the value chain development strategy explained in the aide memoire	PMU/DPMU/UMU	June 2014

Develop quality seed suppliers, chick and duckling producers, nursery plant suppliers, fish nurseries in villages and local market places as appropriate	PMU/DPMU/UMU	Starting May 2014
Develop commercial vaccination and animal health service providers at the local level and develop reliable commercial vaccination and health services. Train paravets as per project plan.	PMU/DPMU/UMU	Starting July 2014
Revise paravet training cost as per current market price and include it in AWPB of FY2014-15.	PMU	June 2014
Promote application of pheromone traps in all project upazilas for eggplants and cucurbits in association with CIGs and private companies	PMU/DPMU/UMU	Starting May 2014
Establish linkage of CIGs with local MFIs and branches of national MFI	PMU/DPMU/UMU	Starting August 2014
Train all field staff members of Component 3 and component 4 on enterprise development and value chain development. Include other PMU/DPMU/UMU staff members in such training courses	PMU	August 2014

Monitoring and evaluation and KM

Revise M&E and KM action Plan and share with IFAD and adjust M&E and KM work accordingly.	PMU	30 June 2014
Increase work time of Gender Advisor from 4 to 6 months per year until mid-term review.	PMU	30 June 2014

Fiduciary Aspects

Computerize PMU/DMU/XEN accounting records and reports by customizing LGED accounting software	PMU	31 Dec. 2014
Train finance staffs posting to the general ledgers, preparation of financial reports such as SOEs and Bank Accounts Reconciliation, Report on Utilization of Funds Received taking into account cash bank balance, expenditure, interest income, bank charges and summary of uncleared advances (supported with detailed individual advance balance as recorded in the advance register).	PMU	31 May 2014
Revise general ledger to provide columns for advances and RPA (IFAD Loan, Grant and STF)	PMU	20 May 2014
Submit to IFAD, the AWPB for Fiscal Year 2014-15 and Annual Procurement Plan	PMU, XEN, DMU	June 2014
Provide in the measurement book a certification of percentage of completion for the communication infrastructure for every payment paid to the contractor	LGED Engineer	31 May 2014 onwards
Submission of contract register monthly to the IFAD Country Officer, starting for the month of April 2014	PMU	Monthly

Appendix 4: Physical progress measured against AWP&B, including RIMS indicators

Period: APPB 2013 – 2014, updated on 31 March 2014				
Impact and Outcomes	Indicators (with global target if available)	Achievements (as per M&E data)	RIMS Rating	
			(by project)	(by supervision mission)
Impact level				
Overall Goal Reduction of poverty in Hoar Basin	% reduced child stunting, underweight & wasting			
	% of HH with improved food security			
	% of HH increased livelihood assets and resilience to risks			
	% of HH increased income			
Project Purpose Capacity enhancement to diverse the livelihoods and reduce vulnerability of 115000 (direct) households in hoar basin	no. of HH with enhanced livelihood skill and capacity			
	no. of HH reported with more livelihoods opportunities			
	no. of HH more protected from different vulnerabilities			
	no. of HH reported more production & sales			
Component 1 Communications Infrastructure: Enhanced access to markets, livelihood opportunities and social services	Traffic volume increased			
	Journey time and cost reduced			
	Diversification increased in livelihoods			
	Market turnover increased			
Component 2 Community Infrastructure: Enhanced village mobility, reduction in production losses and protection against extreme weather events	Village people's mobility increased			
	Journey time and cost reduced			
	Loss in production decreased			
	Market turnover increased			
	People more secured from extreme weather			
Component 3	Fish catch increased/decreased			

Community Resource Management: Enhanced access to fisheries resources and conservation of biodiversity	Species diversity increased					
	Income from beel fisheries increased					
Component 4 Livelihood Protection : Enhanced production, diversification and marketing of crop and livestock produces	Production increased					
	Diversification in production/produces increased					
	Market turnover increased					
Component 5 Project Management: Efficient, cost effective and equitable use of project resources	PMU, DMU, UMU operational in effective and efficient manner	PMU, DMU & UMU offices established as per DPP.				
Outputs by component	Indicators	(Physical) Targets				
		AWP&B (planned)	Actual (achieved)	%	Appraisal (Global)	Cumulative (so far)
Component 1- Sub-component 1.1 Upazila road constructed	no. of upazila road constructed		14			14
	km. of upazila road constructed	27	19	70	100	22.6
1.2 Union road constructed	no. of union road constructed					
	km. of union road constructed	28	24	86	150	26.6
1.3 Bridge/Culvert on UZ road constructed	no. of bridge/culvert on UZ road constructed					
	m. of bridge/culvert on UZ road constructed	86	32	37	700	42
1.4 Bridge/culvert on Union road constructed	no. of bridge/culvert on union road constructed					
	m. of bridge/culvert on union road constructed	286	50	18	1050	50
1.5 Bridge/culvert on community road constructed	no. of bridge/culvert on community road constructed					
	m. of bridge/culvert on community road constructed	161	19	12	1600	19
1.6 Bridge and culvert in Sunamganj constructed	no. of bridge/culvert in Sunamganj constructed					
	m. of bridge/culvert in Sunamganj constructed	228	282	124	700	282
1.7 Landing ghats constructed	no. of landing ghat constructed	08	02	25	50	02

	m. of landing ghat constructed					
1.8 Minor earthwork/road alignment work undertaken	no. of minor earthwork/road alignment undertaken					
	km. of earthwork/road alignment accomplished	50	-	-	250	-
1.9 Training provided to contractors on PPR/construction quality	no. of training conducted	10	05	50	LS	07
	no. of participant attended the training					
1.10 Supervision and monitoring undertaken by IMC		210	165	79	1208	165
	no. of supervision undertaken					
	no. of road brought under maintenance					
	km of road brought under maintenance					
1.11 Road maintenance undertaken	no. of community members engaged in work	-	-	-	-	-
Component 2- Sub-component	no. of community road constructed					
2.1 Community road constructed	km of community road constructed	32	28	87	350	38
2.2 Village market developed	no. of village market developed	10	01	10	78	01
	no of IMC female members trained	-	-	-	-	-
2.3 Market collection center constructed	no. of market collection centers constructed	05	-	-	90	-
	no of LCS female members trained	-	-	-	-	-
2.4 Village protection, raising and development work done (through LCS)	no. of village protection work done	06	02	33	78	02
	m. of village protection work done	-	-	-	-	-
2.5 Market protection and raising work undertaken	no. of market protection work undertaken	05	01	13	52	01
	m. of market protection work undertaken	-	-	-	-	-
2.6 Irrigation infrastructure constructed	no. of irrigation infrastructure constructed	03	-	-	-	-
2.7 Plate compactors procured and made available	no. of plate compactors procured	24	24	100	24	24
2.8 Minor earthwork/road alignment work undertaken	no. of minor earthwork/road alignment work undertaken	-	-	-	-	-
	km. of minor earth work/road alignment undertaken	50	-	-	403	-
2.9 Pilot innovative infrastructure constructed	no. of pilot innovative infrastructure constructed	-	-	-	-	-
2.10 Land acquired	no. of land acquired	-	-	-	-	-

	Acre of land acquired					
	no. of training provided	263	389	148	1970	389
2.11 Training provided to LCS members	no. of participants attended in LCS training	N/A	7434	-	N/A	7434
2.12 Supervision and monitoring undertaken by IMC	no. of supervision and monitoring undertaken	210	170	81	1115	170
2.13 Exchange visit for Union Parishad undertaken	no. of exchange visit for Union Parishad undertaken	18	-	-	147	-
	no. of participants attend exchange visits	-	-	-	-	-
2.14 Impact/Technical studies undertaken	no. of studies undertaken	-	-	-	-	-
	no. of infrastructure maintenance work undertaken	-	-	-	-	-
2.15 Infrastructure maintenance ensured	km. of road brought under maintenance	-	-	-	-	-
	no. of beel developed	300	293	97	500	293
Component 3-						
Sub-component						
3.1 Beel developed (old)						
Beel developed (new)>20	no. of beel developed	-	-	-	-	-
Beel developed (old)<20	no. of beel developed	-	-	-	-	-
Beel developed (new)<20	no. of beel developed	-	-	-	-	-
3.2 Khal /canal re-excavated						
	no. of canal re-excavated					
		18.8	1.4	7.5	100	1.4
	km. of canal re-excavated					
3.3 LCS trained						
	no. of LCs trained (Group)	132	12	9	1530	12
	no. of participants attended LCS training	N/A	345	-	N/A	345
3.4 Swamp forestry established						
	no. of swamp tree planted (Nursery)	29000	38540	133	213500	38540
	are of land brought under swamp forestry	-	-	-	-	-
3.5 Motorcycles procured	no. of motorcycle procured				105	105
3.6 Support Services provided	no. of union brought under support services					

3.7 Monitoring, legal support and studies undertaken	no. of BUG (old) undergone internal audit	130	-	-	450	-
	no. of BUG (new) undergone internal audit	130	-	-	525	-
	no. of BUG received/attended training/exposure	40	-	-	LS	-
	no. of Legal service/assistance provided	2	-	-	20	-
	no. of Community enumerators recruited	01	-	-	06	-
	no. of third party monitoring done	1	-	-	05	-
	no. of dissemination workshop arranged	25	-	-	LS	-
	no. of promotional materials developed	01	-	-	8	-
3.8 Maintenance of motorcycles ensured	no. of motorcycle brought under maintenance				147	147
Component 4- Sub-component 4.1 Crop, horticulture demonstration arranged	no. of crop, horticulture demonstration arranged	N/A	108	-	462	108
	Number of seed producers developed	N/A	2	-	28	2
	Number of farmers trained	N/A	3952	-	21000	3952
	Number of seed and IPM suppliers developed	N/A	3	-	14	3
	no. of people attended demonstration	N/A	200	-	900	200
4.2 Poultry and Livestock demonstration arranged	no. of poultry, livestock demonstration arranged	N/A	54	-	588	54
	Number of poultry and livestock farmers developed	N/A	4835	-	21000	4835
	Number of paravets trained	N/A	60	-	420	60
	no. of people attended demonstration	N/A	120	-	1200	120
4.3 Fisheries demonstration arranged	no. of fisheries demonstration arranged	N/A	-	-	-	-
	Number of pond and cage fishers trained and developed	N/A	404	-	5250	404
	no. of people attended demonstration	N/A	-	-	-	-

4.4 Innovative employment/business initiated	no. of persons initiated innovative employment/business	64	-	-	480	-
4.5 Activities initiated to build awareness on social issues	no. of activities initiated to build awareness on social issues	17	5	29	560	5
4.6 Recognition awards given to best practices	No. of people awarded for best practices	90	-	-	560	-
4.7 Motorcycles procured	no. of motorcycles procured	15	15	100	-	-
4.8 CDF supported	No, of CDF supported	50	37	74	99	37
4.9 Motorcycle maintenance ensured	no. of motorcycle brought under maintenance	N/A	N/A	-	-	-
Component 5- Sub-component	no. of districts covered	5	5	100	5	5
5.1 Area Covered	no. of upazilas covered	28	28	100	28	28
	no. of unions covered	165	165	100	165	165
5.2 Transport Procured	no. of 4WD jeeps procured				3	2
	no. of pickup procured				10	5
	no. of speed boat procured				4	4
	no. of country boat				5	-
	no. of motorcycles procured				105	105
	Bicycle				100	100
5.3 Computer and office furniture procured	PMU equipped with computer and furniture				Computer 12	Computer 12
	no. of DMU equipped with computers and furniture				Computer 19	Computer 19
	no. of UMU equipped with computers and furniture				Computer 28	Computer 28
						<i>All offices are equipped with computers and furniture.</i>
5.4 Petrol And Lubricant	Motorcycle (Resource Management)					Tk. 11608
	Motorcycle (livelihood)					-
	Vehicles 4 WD Jeep (class-2)					Tk. 1826630.00
	Pickup					Tk. 730548.00
	Motorcycle (New Office)					Tk. 629813.00
	Speed boat					Tk. 414222.00
	Country Boat					-
5.5 Financial Management Support	Financial Management Support					US\$ 9843570

5.6 MIS/software support provided	No. of MIS/software support provided					-
5.7 Surveys and Studies undertaken	no. of baseline survey conducted					1
	no. of RIMS survey conducted					1
	no. of gender mainstreaming study conducted					-
	no. of mid-term impact assessment conducted					-
	no. of project completion impact study conducted					-
	no. of Environment & other studies and surveys conducted					- (On going)
5.8 Staff training and Workshop undertaken	no. of training conducted (batch)				-	16
	no. of participant attended in training				-	438
	no. of national start-up/review workshop arranged				-	1
	no. of district start-up workshop arranged				-	5
	no. of overseas training/study tour				-	1
	no. of participants attend overseas training/study tour				-	2
5.9 Project staff and TA recruited	no. of GOB regular staff included in PMU				8	7
	no. of TA consultants recruited for PMU				9	8
	no. of GOB contract staff recruited for PMU				3	3
	no. of GOB contracted staff recruited in DMU/XEN Office				25	10
	no. of GOB contracted staff recruited for UMU				40	04
	no. of GOB regular staff included from XEN office				25	10
	no. of GOB regular staff included from UZ LGED office				40	04
5.10 Staff travelling cost and allowance provided	Travelling and other allowances provided to PMU	-	-	-	-	Tk. 2102813.00
	Traveling and other allowances provided to District DMU	-	-	-	-	Tk. 1367285.00
	Travelling and other allowances provided to UMU	-	-	-	-	Tk. 2335055.00
5.11 LGED Implementation support for Project					5 (year)	2 (Number)

Office						
5.12 Project office established and maintained	no. of PMU office established and maintained				1	1
	no. of district office established and maintained				5	5
	no. of upazila office established and maintained				14	14

5.13 Vehicles maintained	no. of 4WD jeeps maintained				3	2
	no. of pickup maintained				10	5
	no. of speedboat maintained				4	4
	no. of country boat maintained				5	-
	no. of motorcycles maintained				105	147
6. Others						
6.1 Physical Contingencies						-
6.2 Price Contingencies						-
6.3 CD-VAT made available for vehicles	no. of vehicles procured and CD VAT duly paid					-

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

Table-5A: Financial Performance by Financier Up to March 2014

Financier	Appraisal (USD'000)	Total Disbursements (USD'000)	Per Cent Disbursed
	USD	USD	
IFAD Loan	55,000.00	8,645.74	15.72
IFAD Grant	1,000.00	50.57	5.06
Spanish Trust Fund	30,000.00	3,497.85	11.66
Government	32,000.00	2,603.71	8.14
Total:	118,000.00	14,797.87	12.54

Table-5B: Financial Expenses by Component (USD'000) as at 31March 2014

Component	IFAD Loan			IFAD Grant			Spanish Trust Fund			Government			Total		
	Appraisal	Actual Expenses	%	Appraisal	Actual Expenses	%	Appraisal	Actual Expenses	%	Appraisal	Actual Expenses	%	Appraisal	Actual Expenses	%
1.Communication Infrastructure	12000.00	1298.00	10.82				12000.00	1298.00	10.82	23000.00	2078.00	9.03	47000.00	4674.00	9.94
2. Community Infrastructure	16000.00	1079.00	6.74				15000.00	1005.00	6.70	6000.00	156.00	2.60	37000.00	2240.00	6.05
3. Community Resource Management	6000.00	16.00	0.27	0.00			3000.00	12.00	0.40	1000.00	2.00	0.20	10000.00	30.00	0.30
4. Livelihood Management	3000.00	226.00	7.53									0.00	3000.00	226.00	7.53
5. Project Management	18000.00	2424.00	13.47	1000.00	11.57	1.16				2000.00	244.00	12.20	21000.00	2679.57	12.76
Total	55000.00	5043.00	9.17	1000.00	11.57	1.16	30000.00	2315.00	7.72	32000.00	2480.00	7.75	118000.00	9849.57	8.35
Fund Balance		3602.74			39.00		0.00	1182.85			123.71			4948.30	
Total	55000.00	8645.74	15.72	1000.00	50.57	5.06	30000.00	3497.85	11.66	32000.00	2603.71	8.14	118000.00	14797.87	12.54

Table-5C: IFAD Actual Loan Disbursement SDR (USD) as of 31 March 2014

Category	Category Description	Original		Disbursement (SDR)	Disbursement (USD)	W/A Pending	Balance (SDR)	Balance (USD)	Per Cent Disbursed
		Allocation (SDR)	Allocation (USD)						
I-A	Civil Works (Communication Infrastructure)	6,580,000.00	10,505,080.00	323,494.03	496,078.10	-	6,256,505.97	10,009,001.90	4.72
I-B	Civil Works (Community Infrastructure)	10,130,000.00	16,172,714.00	278,565.65	427,180.42	-	9,851,434.35	15,745,533.58	2.64
II	Vehicle & Equipment	560,000.00	894,049.00	646,681.48	991,686.05	-	(86,681.48)	(97,637.05)	110.92
III	Technical Assistance, Studies, Training and Workshops	3,940,000.00	6,290,276.00	242,804.11	372,340.10	-	3,697,195.89	5,917,935.90	5.92
IV	Salaries & Allowance	8,270,000.00	13,203,193.00	583,713.66	895,124.90	-	7,686,286.34	12,308,068.10	6.78
V	Operating Expenses	1,520,000.00	2,426,705.00	85,964.61	131,826.73	-	1,434,035.39	2,294,878.27	5.43
	Unallocated	3,450,000.00	5,507,983.00	-	-	-	3,450,000.00	5,507,983.00	0.00
	Deposit Balance			3,456,263.10	5,331,502.61		(3,456,263.10)	(5,331,502.61)	
Total		34,450,000.00	55,000,000.00	5,617,486.64	8,645,738.91	-	28,832,513.36	46,354,261.09	15.72

Appendix 6: Compliance with Financing Agreement Covenants: Status of implementation

	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
B.8	Opening of 3 Designated Accounts		Complied	
	The Project Director can operate the accounts		Complied	
B.9	Opening of 1 Project Account operated by LPA		Complied	
	Opening of 10 district accounts operated by District Management Units operated by LPA at district level		Complied	
B.10	Borrower/Recipient to provide counterpart funding of USD32 million		Complying	Low Disbursements
	The IFAD Loan, the IFAD Grant and the Trust Loan will be administered by the Fund. The Project will be supervised by the Fund.	On-Going	Complied	2nd supervision 23 April to 10 May 2014
E.1.B	The Project Implementation Manual approved by the Fund	18 July 2013	Complied	Submitted to IFAD 7 Jan 2014
E.2.C	Recruitment of Project Director		Recruited and on Board	New Project Director assumed office 23 Dec 2013
Schedule 2. 2	<i>Start-up Costs.</i> Withdrawals in respect of expenditures for start-up costs under Categories II (excluding vehicles), III, IV and V incurred before the satisfaction of the general conditions precedent to withdrawal but after the entry into force of this Agreement, shall not exceed an aggregate amount of SDR 1 million.		None	
4.08 Gen Cond	Use of proceeds for eligible expenditures	On-Going	On-going compliance	
7.01 (a) Gen Cond	The Borrower and each of the Project Parties shall carry out the Project: (i) with due diligence and efficiency; (ii) in conformity with appropriate administrative, engineering, financial, economic, operational, environmental and agricultural development practices (including rural development practices) and good governance; (iii) in accordance with plans, design standards, specifications, procurement and work schedules and construction methods agreed by the Borrower/Recipient and the Fund; (iv) in accordance with the provisions of the relevant Agreement, the AWPBs, and the Procurement Plan; (v) in accordance with the policies, criteria and regulations		Complying	Requires proper preparation and implementation of AWPB. Recording and reporting financial transactions and certification of works (infrastructure) percentage of completion

	relating to agricultural development financing laid down from time to time by the Governing Council and Executive Board of the Fund; and (vi) so as to ensure the sustainability of its achievements over time.			
	PMU to prepare AWPB (including the initial 18 month Procurement Plan) for each project year	April 1	Complied	AWPB 2013-2014 submitted to IFAD on 26 August 2013
	PMU to submit AWPB to IMSC and IFAD for comments/clearance	April1 & May 1	None yet for Fiscal Year 2014 -2015	AWPB 2014 -2015 for submission to IFAD
7.03 Gen Cond	In addition to counterpart funds, the Borrower/Recipient shall make available to the project facilities, services and other resources as may be required to carry out the Project in accordance with Section 7.01.	On-Going	Complied	
7.05 (a) Gen Cond	Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower/Recipient's procurement regulations, to the extent such are consistent with IFAD Procurement Policies	On-Going	Complied in line with Government Procurement rules and regulations	
7.05 (b) Gen Cond	By notice to the Borrower/ Recipient, the Fund may require that all bidding documents and contracts for procurement of goods, works and services financed by the Financing include provisions requiring bidders, suppliers, contractors, sub-contractors and consultants to: (i) allow full inspection by the Fund of all bid documentation and related records; (ii) maintain all documents and records related to the bid or contract for three years after completion of the bid or contract; and (iii) cooperate with agents or representatives of the Fund carrying out an audit or investigation.	On-Going	Complied	Documents available for review
7.06 Gen Cond	All goods, services and buildings financed by the Financing shall be used exclusively for the purposes of the Project.		Complying	Log book will be in all project vehicle to be properly filled up by the driver and acknowledged and signed by the passenger
7.07 Gen Cond	The Borrower/Recipient shall ensure that all facilities and civil works used in connection with the		Complying	

	Project shall at all times be properly operated and maintained and that all necessary repairs of such facilities shall be made promptly as needed.		
7.08 Gen Cond	The Borrower/Recipient or the Lead Project Agency shall insure all goods and buildings used in the Project against such risks and in such amounts as shall be consistent with sound commercial practice. (b) The Borrower/Recipient or the Lead Project Agency shall insure the goods imported for the Project which are financed by the Financing against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation in accordance with sound commercial practice.	Complied	Vehicles and motorcycles insured
7.11 Gen Cond	All key Project personnel shall have qualifications and experience specified in the Agreement or otherwise approved by the Fund. The Borrower/Recipient shall exercise best efforts to ensure continuity in key Project personnel throughout the Project Implementation Period. The Borrower/Recipient or the Lead Project Agency shall insure key Project personnel against health and accident risks to the extent consistent with sound commercial practice or its customary practice in respect of its national civil service, whichever is appropriate.	Staff recruited and appointed in March 2013. Group Insurance obtained	All government staff are covered with group health and accident insurance, premium deducted for staff salary
8.02 Gen Cond	The Lead Project Agency shall:(a) establish and thereafter maintain an appropriate information management system in accordance with the Fund's <i>Guide for Project Monitoring and Evaluation</i> with which it shall continuously monitor the Project;	Complying	
8.03 Gen Cond	(a) The Lead Project Agency, or other party so designated in the relevant Agreement, shall furnish to the Fund periodic progress reports on the Project, in such form and substance as the Fund shall reasonably request. At a minimum, such reports shall address (i) quantitative and qualitative progress made in implementing the Project and achieving its objectives, (ii) problems encountered during the reporting period, (iii) steps taken or proposed to be taken to remedy these problems, and (iv) the proposed programme of activities and the progress expected during the following reporting period.	Complying	Logical Framework has to be updated in terms of accomplishment, AWPB Consolidated with actual periodic and cumulative Financial and Physical Progress
8.03 Gen Cond	Undertake MTR	NA to date	
8.04 Gen Cond	Undertake PCR	NA to date	
8.05 Gen Cond	The Project Parties shall furnish to the Fund promptly upon	Complying	Submission of

	their preparation, such plans, design standards, reports, contract documents, specifications and schedules relating to the Project, and any material modifications subsequently made therein.			procurement of USD200,000 to IFAD for prior concurrence
9.01 Gen Cond	The Project Parties shall maintain separate accounts and records in accordance with consistently maintained appropriate accounting practices adequate to reflect the operations, resources and expenditures related to the Project until the Financing Closing Date, and shall retain such accounts and records for at least ten (10) years thereafter.		None yet	Staff requires training on IFAD financial records, reports and formats;
9.02 Gen Cond	Prepare and submit consolidated financial statements	October 31	Complied	FAPAD provided copy of the FS and audit report for 2012 – 2013 to IFAD Country Officer
9.03 Gen Cond	Appoint auditor and undertake annual audits and submit to the fund the audit report	1 July 2013	Complied	FAPAD conducted audit of Project for FY 2012-2013

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?

- Groups in all components (LCS, BUGs, CIGs) are formed and effective. Social Organisers, who work with the groups, are largely recruited from the respective area and are thus familiar with the communities/can communicate in local dialect.
 - LCS are about to receive their profit for completed infrastructure works and while the wage is spend on daily needs, all interviewed LCS members plan to invest their profit in an asset that could be used for an income generating activity (cow, poultry etc). The improved infrastructure is already showing results: In one case, transportation time could be reduced from one hour to 10 minutes.
 - Due to the project's work with CIGs, formerly fallow land is now turned into vegetable plots. Traditionally rice farmers, people were sceptical to farm vegetables. Demonstration plots create evidence of the profitability, first adapters have already been found. For farmers, it is key to see the results before they start adopting themselves. The project organizes farmer field days, invitations hereto should be extended to the whole village to enhance adaptation also among non-project farmers.
 - The project was able to target the poorest and most remote living communities. In some instances, the project is the first support these communities receive. The project is also working with ethnic minorities, such as a Garo community in Netrokona district.
-

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

In most cases, labour intense infrastructure work was not completed before harvesting period. To allow LCS members to harvest their fields/work in harvest, many groups introduced a shift system. This could be avoided, if infrastructure works would start up earlier. This would also help to ensure that all works are completed before the rains start.

Innovation: Describe any interesting innovation noted during supervision

- The project has introduced a number of new agricultural technologies to the area, such as pheromone traps, hybrid varieties or crop specific cultivation methods.
 - In some cases, the CIGs sell their vegetables directly to restaurants/canteens. The project supported with creating the links.
 - One LCS group had set up a child care facility, which is looked after by one LCS member who gets the same wage for this work as the other LCS members (on a rotating basis). 10-15 women are using this facility and say that they couldn't participate in the LCS otherwise.
-

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

- The project will prepare case studies with information on input, profitability, challenges etc, which will be used for scaling up. The case studies will be available on the project website and can be uploaded on IFADAsia to facilitate replication by others.
 - A number of LGED projects work with LCS and wherever demand, child care facilities could be introduced. HILIP can replicate in other districts. In addition, child care could also be offered during trainings.
-

Appendix 8: Progress Against Previous Mission Recommendations.

Action Area	Action Agreed	Whom	Date	Status
Project Implementation	Activities not implemented under AWPB 12-13 should be incorporated into the AWPB 13-14 through a participatory consultation process.	PMUs at all levels and the involved technical agencies	Before June 2013	Complied
Outputs & Outcomes	Complete the procurement remaining goods before monsoon season.	Relevant PMU, DMUs, UMUs	By July 2013	Complied
	Focus on preparatory work and training during monsoon season to start timely the civil works.	PMUs at relevant levels, local LGED, beneficiary groups and service providers	Immediately	Complied
	Complete selection of eligible new water bodies and submit proposal to the Ministry of Land for their transfer to the Project.	PMUs at relevant levels	By June 2013	Complied
	Execute MoU with the Ministry of Land for transfer of eligible new water bodies.	PD & MOL	By July 2013	Execution of MoU with the Ministry of Land is in progress
	Initiate preparatory works for the BUGs formation.	PMUs at relevant levels	By July 2013	Complied for old beels. On-going for the new beels
	Develop an action plan to receive the handover of BUGs from the SCBRMP.	PMUs at relevant levels in close collaboration with SCBRMP	Starting from Jan. 2014 and in conjunction with the completion process of SCBRMP	Complied
	Livelihood Protection should focus on production specialization and diversification and mainstreaming into value chains.	PMUs at all levels, DLS, DAE, DoF and other involved technical agencies	Starting from the next AWPB	Complied/ on-going

Complete MoUs with the technical agencies.	PMUs at all levels, DLS, DAE, DoF, and other involved technical	Start immediately and not later than 31 Dec. 2013	Complied
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		agencies.21		
Implementation	Recruit the Social Organizer (Livestock) based on revised TOR and requirements, as approved by IFAD.	IMSC, PMU	By Dec. 2013	on-going
	Establish PRCs at district and Upazila levels in conformity with the Financing Agreement.	PMUs at all levels, selected district and Upazila authorities, and line technical agencies involved	By end May 2013	Complied
	Prepare the AWPB 2013 – 2014 with achievable financial and physical targets, in a participatory manner and reflecting the project targeting strategy and sensitivity.	PSC, PMUs at all levels, all the involved technical agencies, and representatives of beneficiary communities	By end June 2013	Complied
	Synchronize group formation under different components to avoid duplication in the planning and membership identification process, ensure the broad community consultation in mobilization and take into account the seasonality.	DMUs, UMUs, SOs, LCSOs and CDFs	Effective immediately and continuously	Complied
	Introduce approaches and techniques of environmental protection and resource conservation to prepare the project for the integration of CALIP.	PMUs at all levels and all the involved technical agencies and service providers	Continuously	Complied
	Make available the results of survey on RIMS baseline by Mitra & Associates	PMUs at all levels	By June 2013	Complied

Fiduciary Aspects Fiduciary Aspects	Request IFAD for increase of the limit of the authorized fund release for the loan from USD1.8 million to USD3.0 million and for the Spanish Trust Fund to equivalent USD2.0 million.	PMU, IFAD	15 June 2013	Complied. IFAD responded on 24 October stating that the follow-up mission will closely review the issue
	Prepare the TOR for procuring the IMIS Firm or Expert and customizing the software for HILIP with approval from IFAD.	PMU, LGED IMIS Consultant	By end August 2013	Complied
	Computerize PMU accounting records and reports by using a double-entry accounting system with assistance of a IT expert.	PMU	31 Dec. 2013	Complied
	Train finance staffs in recording and reporting with the IFAD-required formats, and in preparing the AWPB	PMU	30 June 2013	Complied/ On-going

	and the monitoring of its implementation.			
	Submit AWPB 13-14 and PIM to IFAD for no objection and acceptance once approved by the IMSC.	PMU	30 June 2013	Complied
	Prepare Audit TOR and agree on Audit dates with FAPAD	PMU	30 June 2013	Complied
	Require recipient of project fixed assets to sign in the receipt of project assets and conduct annual physical count and inspection of project assets.	PMU, XEN, DMU, UMU	30 June 2013, and every end of the fiscal year	Complied
Sustainability	Provide technical training to the CIGs regarding governance, skill and technology adoption, business development, entrepreneurship, organized farming and marketing	Starting from May 2013 and at least 2 times per year	PMU	Complied

Appendix 9: Supervision Mission Schedule and Persons Met

Date	Time	Activity	Responsibility	Mode of Transport
24/04/2014 Thursday	10.00 am to 12.00 am	“ Debriefing about project activities at PMU, LGED	Project Director	Project / LGED vehicle will pick expatriate mission members from Hotel at 9.00 am
	12.00 am to 12.30 pm	“ Team meeting. Review TOR, finalize contributions from members & fix deadlines		
	12.30 pm to 1.30 pm	“ Lunch at LGED		
	2.00 pm	“ Security Briefing at UNDP Office	IFAD	
25/04/2014 Friday	07.30 am	“ Leave Dhaka from LGED for Netrokona District.	XEN / DPC Netrakona	
	12.00 am	“ Arrival at Netrokona		
	12.00 am to 2.00 pm	“ Lunch & Prayer		
	2.00 pm to 6.00 pm	“ Visit Garo Polli, broiler farm, sheep rearing, koel rearing, Demo plot at Kalmakanda Upazila		
	6.00 pm	“ Return to Netrokoa and night halt at Circuit House, LGED Guest house.		
26/04/2014 Saturday	08.30 am	“ Visit Chasrakhali GC Road at Mohongonj	XEN / DPC Netrakona	Project / LGED vehicle
		“ Visit crop demonstration site		
		“ Visit pond fishery activity at Kalmakanda Upazila		
		“ Visit Dewarming and Vaccination activities		
	12.30 pm to 1.30 pm	“ Visit SWAMP Tree nursery activities		
	12.30 pm to 1.30 pm	“ Lunch at Mohongonj		
	1.30 pm to 4.00 pm	“ Visit Gaglajore Road (LCS) and Magan Mollickpur road at Mohongonj		
	4.00 pm	“ Visit crop demonstration site		
4.00 pm	“ Leave Netrokona for Habijong District.			
7.00 pm	“ Arrival at Habijong. Night halt at LGED Guest House and Circuit House			
27/04/2014 Sunday	08.30 am	“ Visit Swamp Tree nursery , Crop demo plot at Baniachang Upazila	XEN / DPC Habijong	Project / LGED vehicle
		“ Visit paharpur GC road at Baniachang Upazila		
	1.00 pm to 2.00 pm	“ Lunch at Baniachang Upazila		
	2.00 pm to 6.00 pm	“ Visit Lokra - Modna road at Lakhai		
		“ Visit Bulla DC road at Lakhai		
6.00 pm	“ Visit CIG Training, Water-mellon demo plot, Vaccination & deworming activity			
6.00 pm	“ Return to Habijong.Night halt at LGED Guest House and Circuit House			
28/04/2014 Monday	09.00 am	“ Briefing on value-chain by Mission Leader Mr. Dewan Alangir at LGED, Habijong	XEN / DPC Habijong	Project / LGED vehicle
	12.00 am to 1.00 pm	“ Lunch at LGED, Habijong		
	1.30 pm	“ Leave Habijong for Sunamjong LGED office.		
	5.30 pm	“ Arrival at Sunamjong LGED office and night halt at CBRMP Guest House, Circuit House, LGED Guest house.		
29/04/2014 Tuesday	08.30 am	“ Visit Daudpur- kashipur CC block road at Sulla.	XEN / DPC Sunamganj	Project / LGED vehicle
		“ Visit Radhanagor Agri. Demo plot at Derai		
	1.00 pm to 2.00	“ Lunch at Dhrai Upazila		

	pm			
	2.00 pm to 6.00 pm	<ul style="list-style-type: none"> Visit Boro Kaima Beel BUG , Derai Visit Village Protection works at Rafinagar Village, Derai 		
	6.00 pm	Return to CBRMP Guest House, Circuit House, LGED Guest house and night halt.		
30/04/2014 Wednesday	08.00 am	<ul style="list-style-type: none"> Visit & discussion with demo/input supported farmer: Duck farming at Bahadurpur, Sadar Visit Sheep rearing & CIG meeting at Rabarbari, Sadar. Visit Janigaon Agri Demo plot, Sadar Visit re-excavated canal at Machua, Sadar Visit BUG Profit Distribution session at Gujawni Beel, South Sunamganj Visit CC block road at Tukergaon, Sadar. 	XEN / DPC Sunamganj	Project / LGED vehicle
	1.00 pm to 2.00 pm	Lunch at Tukergaon, Sadar Upazila		
	2.00 pm	Visit RCC road at Bongaon-Hasaura, Sadar.		
	4.30 pm	Return to CBRMP Guest House, Circuit House, LGED Guest house		
	7.30 pm to 9.00 pm	Team meeting. Review experience, key findings, AM writing.		
01/05/2014 Thursday	7.30 am	Leave Sunamganj for Dhaka.	Project Director	Project / LGED vehicle

Mission Members:

1. Mr. Dewan A.H. Alamgir, Team Leader
2. Mr. Edilberto Angeles, Financial Management Specialist.
3. Dr. Abdul Ghani, Infrastructure Specialist
4. Ms. Sarah Hessel, monitoring & Evaluation Specialist.
5. Dr. Abdul Wahab, Fisheries and Natural Resources Management Specialist.
6. Mr. Nicolas Syed, CPO

Project Officials:

1. Md. Khalilur Rahman, Project Director, HILIP, LGED
2. Md. Monjurul Alam Siddiqui, DPD, HILIP, LGED
3. Md. Habibur Rahman, PPIS, HILIP, LGED
4. Md. Shamsul Arefin, QCE, HILIP, LGED
5. Mr. Birendra Lal Roy, LTS, HILIP, LGED
6. Md. Monzur Rahman, M & E and KM Specialist, HILIP, LGED
7. Md. Anowarul Islam, CRMS, HILIP, LGED
8. Ms. Rownok Jahan, Gender Adviser, HILIP, LGED

Appendix 10: Audit Log

Project Name : Haor Infrastructure & Livelihood Improvement
Project

Audit Log for Fiscal year :2012-14

Ended 30 June 2013

No	Financial Year	Class : Serious/ General	Audit Observation	Total Amount	Action Taken by the Project / PMU	Present Status (Auditor Validation Results)	Total Amount Not Settled/ Outstanding (BDT)	Remarks
1	2012-13	Serious	Title: Income Tax & VAT was not deducted.	2,985,694.00	Reply submitted	Not Settled	2,985,694.00	Reply submitted &It will be settled very soon
2		General	Title: IT /VAT wasdeducted from Suppliers but not deposit into Govt. Treasury.	1,173,212.00	Reply submitted	Not Settled	1,173,212.00	Reply submitted &It will be settled very soon
3		General	Title: Excess expenditure beyond DPP provision	13,871,000.00	Reply submitted	Settled	-	
4		General	Excess payment due to irregular payments for allowances.	174,808.20	Reply submitted	Not Settled	1,74,808.20	Reply submitted &It will be settled very soon
5		General	Road Roller & Lab Test fee was not deducted from the contractor's bill	46,945.00	Reply submitted	Settled	-	
6		General	Musak challan was not certified by the related NBR official.	-	Reply submitted	Settled	-	
Total :				18,251,659.20	-	-	4,158,906.00	

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 (Monitoring and Evaluation & KM Specialist and IFAD Programme Officer), Nicolas Syed (ACPO/IFAD) Dr Md Abdul Wahab (Fisheries and Natural Resources Management Specialist).