



Enabling poor rural people  
to overcome poverty

**PEOPLE'S REPUBLIC OF BANGLADESH**

**SUNAMGANJ COMMUNITY-BASED RESOURCE  
MANAGEMENT PROJECT**

**SUPERVISION REPORT**

**OCTOBER 2012**

<b>Loan No.</b>	<b>567-BD</b>
<b>Project No.</b>	<b>1165</b>
<b>Report No.</b>	<b>2785-BD</b>

**PEOPLE’S REPUBLIC OF BANGLADESH**  
**SUNAMGANJ COMMUNITY BASED RESOURCE MANAGEMENT PROJECT - BD 567**

**SUPERVISION MISSION: 6-18 OCTOBER 2012**

**MISSION REPORT**

**TABLE OF CONTENTS**

<i>ABBREVIATIONS AND ACRONYMS</i> .....	<i>iii</i>
A. Introduction.....	1
B. Overall Assessment of Project Implementation Progress.....	1
C. Outputs and Outcomes, by Component.....	3
D. Project Implementation Performance.....	7
E. Fiduciary Aspects.....	10
F. Sustainability.....	12
G. Impact .....	13
H. Conclusion.....	14
Appendix 1. Summary of Project Status and Ratings.....	1
Appendix 2. Progress against Previous Supervision Mission’s Recommendations.....	3
Appendix 3: Financial Performance.....	7
Appendix 4: Compliance with financing agreement covenants.....	9
Appendix 5: Physical progress measured against AWPB and project targets.....	11
Appendix 6: RIMS Tables.....	19
Appendix 7: Knowledge management, learning and innovation.....	23
Appendix 8: Audit Log.....	25
Appendix 9: Project logframe against achievement.....	31
Appendix 10: Supervision mission schedule and persons met.....	33
Appendix 11: Summary of implementation support provided by IFAD.....	35
Appendix 12: PMU proposal for use of the “idle” credit funds recovered.....	37

**FISCAL YEAR**

31 July – 30 June

**ABBREVIATIONS AND ACRONYMS**

AWPB	Annual Work Plan and Budget
BARI	Bangladesh Agricultural Research Institute
BDT	Bangladesh Taka
BKB	Bangladesh Krishi Bank
BLRI	Bangladesh Livestock Research Institute
BMC	Beel Management Committee
BRRRI	Bangladesh Rice Research Institute
BUET	Bangladesh University of Engineering and Technology
BUG	Beel Users Group
CBFM	Community-based fishery management
CBRMP	Community Based Resources Management Project
CO	Credit Organization
DAE	Department of Agricultural Extension
DLS	Department of Livestock Services
DoF	Department of Fisheries
DPHE	Department of Public Health and Engineering
DPP	Development Project Proposal
FA	Finance Assistants
FAPAD	Foreign Aided Project Audit Directorate
FAR	Fixed Asset Register
FM	Finance Manager
FPR	First Phase Review
FY	Fiscal Year
GoB	Government of Bangladesh
HILIP	Haor Infrastructure and Livelihood Improvement Project
HTW	Hand Tube-Well
HYV	High Yield Variety
IFAD	International Fund for Agriculture Development
IMC	Infrastructure Management Committees
LCS	Labor Contracting Societies
LGED	Local Government Engineering Department
LO	Liaison Office
M&E	Monitoring and Evaluation

MIDPCR	Market Infrastructure Development Project in Charland Regions
MoL	Ministry of Land
MoU	Memorandum of Understanding
MPVC	Multi-purpose village center
MTR	Mid Term Review
NCT	National Competitive Tendering
PD	Project Director
PMU	Project Management Unit
PRA	Participatory Rural Assessment
RCC	Reinforced Cement Concrete
RFQ	Request for Quotation
RIMS	Results and Impact Management System (IFAD)
SA	Special Account
SAFE	Special Account Foreign Exchange
SDR	Special Drawing Rights
SO	Social Organizer
SOE	Statements of Expenditure
SUPM	Senior Upazilla Project Manager
TC	Training Coordinator
TOS	Tender Opening Sheet
UFMS	Universal Financial Management Software
UMU	Upazilla Management Unit
USD	United States Dollar
VAT	Value Added Tax
WA	Withdrawal Application
WFC	World Fisheries Center

**PEOPLE'S REPUBLIC OF BANGLADESH**  
**SUNAMGANJ COMMUNITY BASED RESOURCE MANAGEMENT PROJECT - BD 567**

**SUPERVISION MISSION: 6-18 OCTOBER 2012**

**AIDE-MEMOIRE**

**A. Introduction<sup>1</sup>**

1. The Sunamganj Community Based Resource Management Project (SCBRMP) was designed in three phases: phase 1 from January 2003 to December 2007, phase 2 from January 2008 to December 2010, and phase 3 from January 2011 to March 2014. The project was approved by IFAD's Executive Board on 12 September 2001 and the IFAD loan became effective on 14 January 2003. The project completion and closing date were set at 31 March 2014 and 30 September 2014, respectively. The total cost was initially estimated at USD 34.29 million, but it was revised to USD 26.74 million at the project mid-term review (MTR), first phase review in 2007. It was revised to USD 31.86 million by the second phase review in 2010. The second revision concluded on the following cost breakdown: an IFAD loan of USD 27.53 million, government counterpart financing of USD 3.68 million and beneficiaries' in kind or cash contribution of USD 0.64 million. The project's objectives are to: (i) increase the assets and income of 90,000 (revised from 135 000 at MTR) households by developing self-managed grass-roots organizations to improve their access to primary resources, employment, self-employment and credit; and (ii) support the development of an institutional base to replicate the project approach in other areas of Bangladesh. These objectives are to be realized through the financing of five project components: rural infrastructure, community fisheries, agriculture and livestock, microfinance, and institutional support. The project is implemented by the Local Government Engineering Department (LGED) under the Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives.

2. The IFAD supervision mission visited the project to review its implementation status during 6-18 October 2012. The mission focused on (i) reviewing the adherence to project strategies and institutional performance; (ii) assessing the overall progress of the project in all components against the annual and overall targets, including the quality of work; and (iii) reviewing the compliance with loan covenants and follow up on the agreed actions from the 2011 supervision mission. In addition, the mission also highlighted the achievements and identified and provided support to those issues that required follow-up. The mission conducted its assignments through consultations with the project director (PD) in Dhaka and the project management unit (PMU) in Sunamganj as well as field visits to 14 villages, 13 Unions of 7 Upazillas during 7-15 October 2012. A wrap-up meeting was held in Dhaka on 18 October 2012 and chaired by Mr. Abu Alam Md. Shahid Khan, Secretary, Local Government Division, while official representatives from relevant Ministries and Departments attended the meeting.

3. The Mission would like to express its appreciation for the hospitality provided by the Government and the relevant institutions at all levels as well as for the contributions of project beneficiaries; special thanks go to the Project Director, Dr. Sheikh Mohammed Mohsin and his dedicated team for their intellectual inputs and high level of cooperation during the mission.

**B. Overall Assessment of Project Implementation Progress**

4. *The overall implementation progress for the project is rated satisfactory.* At the end of June 2012, the project recorded a cumulative financial progress rate of 82.3% against the approved total target. Financial achievements by financiers were 81.3% for the IFAD loan, 87% for Government's financing and 100% for the beneficiaries' contribution. By component, the financial delivery rate ranged from 70% to 86%, with the highest rate being reported for the rural infrastructure development component and the lowest rate for the community fisheries development component. The good

---

<sup>1/</sup> The Mission consisted of Mr. Vishwanath Mannava, financial management specialist; Dr. Md. Abdul Ghani, infrastructure and water management specialist; Dr. Md. Abdul Wahab, fishery development specialist; Mr. Tom Anyonge, IFAD technical advisor for institutions; Ms. Girija Srinivasan, microfinance specialist (who joined the mission during 16-18 October); Mr. GM Hashibul Alam, IFAD country program officer and natural resources management specialist; and Mr. Qibin He, team leader. Mr. Thomas Rath, IFAD Country Program Manager, provided guidance to the mission during 7-18 October 2012 and participated in the wrap-up meeting.

financial achievement for the rural infrastructure development can be mainly attributed to the progress of those activities which take a large financial allocation under this component, such as road constructions and tube-well installation. These achieved 90–100 % of their financial targets. The relatively low financial achievement for the community fisheries component was due to the low progress rates of the training of beneficiaries and the excavations of beels (water bodies) and Khals (canals). These activities take a large share in the financial allocations and thus, they affected the progress rate substantially.

5. In terms of the cumulative physical achievements, most project activities have reached 100% or are close to it as compared to their targets. The remaining tasks mainly rest with the community fisheries component and with a few single activities of other components, such as the formation of labour contracting societies (LCS) and training of LCS members under the rural infrastructure component, research and trials under the agriculture and livestock component, and equipment procurement and participatory M&E workshops/activities under the project management component.

6. The financial target of the 2011-12 AWPB was achieved at 100%, with a minimum of 89% for the agriculture and livestock component and a maximum of 102% for the rural infrastructure component. The physical targets set in the AWPB were met in most cases with some variations between activities. The mission appreciates that an acceleration of implementation for those activities has been planned in the 2012-13 AWPB, which performed at a slightly slow rate such as the excavations of canals (khals), beneficiary's training under the community fisheries component and the research and trials under the agriculture and livestock component. It is also noted that the physical target for some activities might not be met at project completion if their implementation cannot be expedited, such as the number of water bodies (beels) to be developed and the related activities.

7. As of 31 August 2012 disbursement rate of the IFAD loan for the project stood at 88.7% against the approved amount in SDR, including the initial deposit. Actual disbursement rate of expenditures incurred was 81.2% against the total loan if the initial deposit is excluded. This disbursement rate is comparable with the above-mentioned financial achievement (81.3%) for the IFAD loan.

8. The recommendations made by the 2011 supervision mission were well followed up by the project. Results are positive throughout (see Appendix 2 for details) and include: (i) the number of graduated credit organisations (COs) increased from 1,765 in June 2011 to 2,704 in June 2012, with the latter accounting for 90% of the total number of COs formed; (ii) out of 58 beels, for which the MoU was signed before the 2011 supervision mission, 40 beels have been handed over to LGED while another 18 beels will be handed over shortly. An MoU for another 69 water bodies was signed in the last year and another MoU for 20 beels is being processed; (iii) the adaptive agricultural research trials were carried out on the selection of rice varieties with early maturity, high yield and drought tolerance in *boro* season (i.e. harvest before the monsoon) under the alternate wetting and drying scheme; (iv) 5 km of silted canals was re-excavated; (v) training courses for upgrading selected livestock vaccinators were conducted, 8 mini-hatchery in 8 Upazillas, 3 model breeders in 3 Upazillas and 5 chick rearing units in 5 Upazillas were established and ; (vi) a full-time M&E officer was recruited for the project. In addition, the IFAD support mission in March 2012 helped to enhance project performance in terms of M&E since then.

9. The project target is to provide access of genuine fisheries communities to 300 beels by handing over the management of water bodies to 9500 newly formed beel user group (BUG) members. These groups consist of 30% women as members. Thus far, the Ministry of Land (MoL) has handed over the leases for 280 water beels to LGED, of which the project provided leases for 202 beels to the BUGs. Currently, 45 beels are being processed for the next hand-over to the BUGs, 2 beels are subject to court cases and 31 beels are not given to the BUG's, mainly because of non-completion of land area demarcation and the change of land category. Following the discussions with the PMU, it was agreed that the Ministry of Land will carry out the replacement of the 31 non-eligible beels and the transfer of new beels plus the remaining leases for 20 beels to LGED in order to achieve the project target 300 beels.

Agreed action	Responsibility	Agreed date
The Ministry of Land will carry out the replacement of 31 non-eligible beels and transfer of new beels plus the remaining 20 leases to LGED to achieve the project target of 300 beels.	PMU and MoL	End of Nov. 2012

### C. Outputs and Outcomes, by Component

10. **Component 1: Rural Infrastructure.** *The outputs and outcomes for this component are rated highly satisfactory.* The cumulative financial achievement of this component was 88.2% and the annual achievement towards 2011-12 AWPB was 102% by end of June 2012. The physical achievement rates for most of the activities under this component were at or close to 100%, except for the formation of labour contracting societies (LCS). The rural infrastructure placed the essential basis for the other, livelihood development components to generate the desired impact on the rural poor.

11. This component achieved its target by 100% by forming 335 Infrastructure Management Committees (IMCs) and training for 2345 IMC members by September 2012. The target with regard to the formation of 2,311 LCS stood at 75.5% as 1,744 were formed by June 2012. Training was provided to 25,985 LCS members against the total target of 34,665 (75%).

12. A total of 2,595 hand tube-wells (HTWs) were installed for beneficiaries, which was equivalent to an achievement rate of 100% against the project target. The depth of the HTWs varied from 350 to 450 feet, which was generally expected to provide arsenic free water. The 2011 supervision mission noted that 1,261 out of total 2595 HTWs had arsenic-contaminated water. The project addressed this problem in a very satisfactory manner by providing 1,261 SONO water filters to the beneficiaries which resulted to obtain arsenic free water.

13. The project aimed to construct 335 village roads, with a total length of 335 km. By June 2012, 465 village roads with a total length of 315 km, were constructed. Construction of village roads using cement concrete blocks was an innovation and proved to be successful. The quality of "block roads" was not inferior to roads built with reinforced cement concrete (RCC), while the cost for block roads was about 20% lower as compared to RCC roads. In addition, construction of block roads was exclusively done by LCS and thus, it serves as an important income opportunity for destitute women. However, it was observed that some village roads did not possess adequate shoulders, which might cause damage of roads. The project should take corrective measures such as building adequate shoulders to the roads.

14. The project aims to construct 4.5 km of village protection walls in 18 villages, of which 2.25 km in 9 villages were completed by June 2012. The construction of village protection walls was valued as a useful initiative for protecting lives and properties of very poor Haor communities. If resources permitted, more village protection walls should be constructed. In addition, the project installed 78,406 numbers of latrines or 100% of the project target. This activity provided hygienic conditions to the poor by assisting them in obtaining a clean environment. The construction of multi-purpose village centers (MVCs) fully (100%) met its target. These centers are used for meeting and training.

15. The project built 12 agricultural facilities, including 3 submersible dams and 9 underground pipe irrigation systems. About 1,250 households are benefiting from the dams. It is particularly worth mentioning the submersible dams which are highly appreciated by the beneficiaries, because they are being used for water conservation and irrigation purposes. This is particularly effective during dry season. Besides, the dam facilitates the communications between those villages which were separated by a canal. The project management valued this type of dam as an innovation and as an example for a low-cost water conservation device which allowed using scarce water resources for both irrigation and household purposes during the dry season. It is revealed through discussions with beneficiaries and project staff that crop yields and cropping intensity in the service area of the three dams increased by over 100% on an average. Now, farmers are cultivating high yield *boro* rice varieties instead of cultivating local rice varieties. Furthermore, the improved infrastructure provided opportunities for the beneficiaries to diversify agricultural activities in the area. More details of agricultural impacts of these dams are presented in the section on agriculture and livestock.

16. **Component 2: Community Fisheries.** *The outputs and outcomes for this component are rated satisfactory.* The cumulative financial for this component stood at 72%, whereas 2011-12 AWPB was 100% completed by end of June 2012. In terms of physical progress, the excavation of beels, khals and related activities such as the formation and training of BUGs lagged behind, while many other activities reached between 80-100% of their respective targets. The slow progress for beels and khals excavation might be attributed, among others, mainly to the slow progress of transferring the beels from MoL to LGED. It is appreciated, however, that these activities were greatly expedited in the past year: 50 out of the 157 beels and 18 out of the 39 khals were excavated during 2011-12.

17. The component was able to offer secure access to genuine fisheries communities with 202 beels (with 153 beels below 20 acres and 49 above 20 acres). A total of 217 BUGs were formed till 30 June 2012 with total members of 7,157, of which 24% were women; 157 beels were re-

excavated for development and their habitat was restored. This has created employment for the poor fishers and villagers; 64 ponds of 30.83 acres and 39 khals with a length of 41 km were re-excavated, respectively, for establishing fish sanctuaries and to facilitate the migration of fish between beels and the rivers.

18. While the proportion of woman members was about 24% of the total, their role in the community was noticed by the mission. Women participated actively in the discussions and their voices were heard. They expressed that their role in family decision making has been improved. They can spend their earnings from beel fishery on their own, for children's education and other purposes.

19. The field visits confirm the success of the community-based management approach especially the formation of BUGs as the immediate users of the beels. The BUG members fully understand the values and usefulness of habitat restoration, re-excavation of beels and canals, establishment of sanctuaries, planting of flood tolerant plants and the need to observe the fishing ban period. They stated with high appreciation the benefits they have obtained through these management measures. BUG member earned a net profit between BDT 6,500 to BDT 20,000 per year, depending on their involvement and the fish catch in the beel. While most of the BUGs were operating well, one or two BUGs seemed to lack enthusiasm, which was probably due to the inherit mistrust in these communities.

20. Cage aquaculture was introduced following a standard design and management as practiced in the Chandpur Dakatia River of Bangladesh. Twenty cages were installed in different water bodies, being run by 40 destitute women BUGs. Cage fish culture in the beels, floodwaters near the households, or along the river banks seemed to be highly feasible option in the haor area. The mission suggests the PMU to diversify with other species such as grass carp, *mohashol*, spiny eel, *pabda* etc along with presently cultured Mono sex tilapia. The feasibility of pen culture along the homestead during 3-4 months flood period might also be an option that should be tested. It is recommended to explore various options to reduce the costs of cage structures and feeds by using locally available building materials, such as bamboo frame and home-made feeds from agricultural by-products. Improved returns may encourage poor farmers to take up cage aquaculture.

21. A study by the WorldFish Center (WFC) revealed that the project had significant positive impact on both, fish production and fish biodiversity. Endangered and critically endangered fish species have returned after some years into the beels monitored by WFC. Moreover, fish production increased in 98% of the BUG managed beels, up from the base production of 663 kg/ha in 2007-2008 to 720 kg/ha in 2009-2010. Fish biodiversity increased from 31 species before the project to 70 after project intervention in more than 75% of the beels.

22. As a result of follow-up to the 2011 supervision, the benefit and wage ratio increased from 75:25 to 65:35; piloting of seasonal stocking initiated in one site with the plan to expand it into other sites by October 2012. Thus far, a total of 280 beels were handed over from MoL to LGED, of which 202 beels were handed over to BUGs and 45 beels are being processed for the next hand-over. The user rights document for the BUGs and membership cards to individual members were issued and BUG guidelines were revised.

23. The Ministry of Land (MoL) has handed over 280 water beels to LGED, of which the project provided leases for 202 beels to the BUGs. Currently, 45 beels are being processed for the next hand-over to the BUGs, 2 beels are subject to court cases and 31 beels are not given to the BUG's, mainly because of non-completion of land area demarcation and the change of land category. With regard to the time required for the process of handing over the water bodies to the BUGs, the beels development may be delayed. Any remaining funds shall be used for other development activities of the project within the approved AWPB.

24. **Component 3: Agriculture and Livestock.** *The outputs and outcomes for this component are rated satisfactory.* By the end of June 2012, this component recorded an average cumulative financial progress rate of 74.9% against the total project target. A few activities, such as agricultural studies and training for farmers, completed close to 100% in physical and financial terms. The physical targets for crop demonstrations and related training also completed at 100% using only 71% of the approved budget. The lowest progress was reported for research and trials, which achieved only 39% of its physical target. Unfortunately, the low achievement was partly due to the revision of the physical and financial targets in 2010. In general, the implementation progress varied greatly between activities under this component.

25. The 2011-12 AWPB achieved 89% of its financial target, with a range of 71% for research and trials to 100% for farmer's training. However, the financial progress rates for many of these activities were not consistent with their physical progress rates in 2011-12. The physical achievements for



research, trials and demonstrations were 220% and 177%, with only 71% and 97% of the AWPB, respectively; whereas the physical target for farmers trained with the field school approach completed at 19% only using 100% of its annual budget. The different financial and physical progress rates can be explained by the reduced number of locations and increased number of replications per site for the trials and demonstrations, whereby the project funds were revolved over time.

26. As a follow-up of the 2011 supervision mission, 5 km of silted canals were re-excavated under agricultural infrastructure development. 8 mini-hatcheries in 8 Upazillas, 3 model breeders in 3 Upazillas and 5 chick rearing units in 5 Upazillas were established. Adaptive research and trials would continue for the selection of early maturing, high yielding and drought tolerance rice varieties for the *boro* season, under the alternate wetting and drying scheme.

27. Activities under this component were well planned and implemented in general. Participatory rural assessments (PRA) were conducted to identify the needs and constraints of project groups. Through cooperation with the Bangladesh Rice Research Institute (BRRI), Bangladesh Agricultural Research Institute (BARI) and Bangladesh Livestock Research Institute (BLRI), the project made good use of the national technical resources to carry out the adaptive research and trials for the improvement of cropping techniques, crop varieties, livestock feeding regimes and improved breeds. Positive results from research were well demonstrated and scaled-up through technical trainings of beneficiaries and in cooperation with the Department of Agricultural Extension (DAE) and the Department of Livestock Services (DLS) in the project area.

28. The main outputs of this component included (i) 111 research trials, which screened or selected 115 useful technologies and varieties for demonstrations in various project upazillas; (ii) 7,564 demonstrations were carried out in farmers' fields; (iii) 77,393 farmers were trained, including 58,207 or 75% women; (iv) 64,051 farmers participated in field schools; (v) 1,405 advanced farmers were trained and of which 358 were certified to provide technical support to other farmers; (vi) 12 agricultural infrastructure, mainly submergible dams and underground pipe irrigation facilities were constructed; (vii) 214 vaccinators trained (of which 80 are women); (viii) 263,307 heads of livestock including poultry were vaccinated and 81,844 de-wormed; and (ix) 751 calves of improved breeds were produced using both, natural mating and AI services.

29. Findings during the field visits confirm that (i) adaptive research and trials were conducted successfully. The selected rice varieties of BRRI 44 and 46 were successful and appreciated by farmers due to their significant increase in yield, while BRRI dhan 45 and 27 did not seem to work. (ii) The on-farm demonstrations accelerated the adoption of improved farming practices and new crop varieties. (iii) The technical training, especially through field schools, encouraged male and female farmers to adopt novelties in farming practices. The farmers expressed strong desire for continuous technical training to further enhance their capacities to cope with price fluctuations change and natural hazards. (iv) The construction of submergible dams brought substantial improvement for crop production because farmers' access to water sources improved during the rabi (dry) season. Re-excavation of silted canals also brought positive effects for crop yields during the dry season. About 262 ha of fallow land were brought under cultivation. (v) The improved livestock feeding regimes, animal breeds accompanied by vaccination and de-worming measures is likely to increase production and reduce mortality of livestock. It can be concluded that the adaptive research trials, together with the demonstrations and other technical training have contributed to improved food security and increased income at the household level. The project reported that 69,653 (90%) of the component beneficiary households stated increased income from adopting improved production models, technologies, crop varieties and animal breeds. Results from the agricultural impact study carried out by the PMU in 2010 suggested that (i) none of the farmers used HYVs in wheat, potato, mustard, and sweet guard before the project, but 13% of farmers used HYV in wheat, 12% in potato, 10% in mustard, and 17% in sweet guard since the project interventions. The percentage of HYVs in boro rice changed from 20% to 73% and in T. aman 27% to 49%; (ii) project farmers reported a mean increase in yield of 100% as compared to 91% in non-project farms; (iii) double-cropped area for the project farmers increased by 54% (boro followed by T. aman) and 15% (T. aman followed by rabi crops). Beneficiaries who were interviewed by the mission confirmed a substantial growth of their income as a result from increased yields from crop or livestock production.

30. Since the production of crops and livestock would continue to be the main livelihoods basis of farmers in the project area, the further promotion of adopting improved and new technologies would be critical to improve their food security and increase their income. Demonstrations and up-scaling of improved farming practices, crop varieties and livestock breeds should be continued through on farm training techniques.

31. **Component 4: Microfinance.** *The outputs and outcomes for this component are rated satisfactory.* A previous mission visited the project during 14-20 April 2012 for providing implementation support to the micro-finance component. The findings and recommendations on the component are an integral part of this aide memoire (for details, refer to the Implementation Support Mission Report April 2012).

32. The project has formed 2,995 COs with 86,737 members achieving the target set for CO formation and achieving 96% of the target for member enrolment. The project has been adopting a systematic process of graduating the groups and as of 30 September 2012, 2781 COs (92% of the COs formed) with 66467 members have been graduated. Total savings of BDT 91.66 million have been distributed to the graduated members. Only 204 COs are functional in the project areas now out of which 87 COs are functioning well in three newer upazillas and they will be graduated in 2013-2014<sup>2</sup>. The others are problematic groups with high level of overdues in the older upazillas. The project and BKB have to take necessary action to deal with the overdues as per the recommendations of the ISM mission in April 2012.

33. The project has initiated actions on the recommendations of the previous mission, which now have to be concluded. The project has already revalidated the reason for overdues by carrying out a case by case analysis of all the defaulting members both under savings loans and BKB loans. A round of discussions have been held with BKB to write off the overdues of non-wilful, and migrated/ untraceable defaulters. The existing project guidelines for microfinance may suitably be amended for a) centralising the risk fund and using it for such write off and b) utilising the interest accumulated for semi-autonomous body (6.5%) for the write off. The funds will be used to write off of both BKB and savings loans. It is expected that about 60% of the COs can be graduated through such write offs. The remaining wilful BKB loan defaulters will need to be pursued by BKB through their official procedures as per guideline clauses. The wilful savings loan defaulters will need to be pursued by the COs themselves.

34. The project at present only collects BKB loans already disbursed. BKB loans are outstanding in 5 older upazillas to the tune of BDT 88.47 million and the total amount is overdue beyond the maturity period. The overdue is 3% of total loan disbursed by BKB since inception and 9% of peak level of loan outstanding, which is not a bad performance considering the level of efforts by the project staff with very little support from BKB.

35. **As a result of follow-up to the recommendations made by the implementation support mission of April 2012, the project has decided to use the recovered and “idle” credit funds for vitally needed infrastructure and other community assets as well as for maintaining existing infrastructure created by the project. The mission consents with the proposal (see Appendix 11 for details).**

Agreed action	Responsibility	Agreed date
<b>Rural infrastructure:</b> (i) Since some of the village roads do not have adequate shoulders, the project will take corrective measures to this problem by building adequate shoulders with carried earth. (ii) Arrangements with LGED and Union Parishads are required to ensure the maintenance of project-built village roads by providing funding support beyond project period.	PMU	Nov. 2012 onwards
<b>Community fisheries:</b> Since the project target of 300 beels would unlikely be achieved, cost savings from this shortfall should be used in fast absorbing activities such as infrastructure with the AWPB 2012-13, if duly revised and approved.	PMU	End of Dec. 2012
<b>Agriculture and Livestock:</b> Demonstrations and up-scaling of improved farming practices, crop varieties and livestock breeds will be continued, incorporated with on-site training for beneficiaries.	PMU, BRR, BARI, DAE, and DLS	Oct. 2012 onwards
<b>Mico-finance:</b> The recovered “idle” credit funds will be used for vitally needed infrastructure and other community assets as well as for maintaining existing infrastructure created by the project.	PMU	Oct. 2012 onwards
Revise project micro finance guidelines to enable write off of non-wilful default to speed up the graduation process.	PMU and BKB	31 Dec 2012;
Officially hand over the wilful default cases to BKB and cease project efforts in recovery.	PMU and BKB	30 Jun. 2013

<sup>2</sup> This compares very favourably with the global experience of about 10% of the groups formed being defunct and problematic.

#### D. Project Implementation Performance

36. **Project management performance.** *The project management performance is rated highly satisfactory.* The project management framework is set up in compliance with the Loan Agreement, including a liaison office (LO) in Dhaka, headed by a project director (PD), with dedicated project management unit (PMU), project coordinators at district level, upazilla management units (UMUs), and community development facilitators at field level. Discussions indicated that the project management is performing well at all levels. The PD, project coordinators and the PMUs at headquarter and district levels have been carrying out their responsibilities in terms of planning, coordination, management and monitoring of the project with great dedication and efficiency. The UMUs at Upazilla level and the community development facilitators at field level have implemented the specific activities with COs, BUGs and LCSs. As a consequence, the project has generated impressive results and continues to contribute to the poverty reduction in Sunamganj.

37. **Monitoring and evaluation (M&E).** *The project M&E is rated satisfactory.* Data collection and reporting system has been set up along with the vertical structure of project management. Monitoring and reporting of level-1 indicators, inputs and outputs, have been carried out on monthly, quarterly, semi-annually and annually basis, which are adequate. Outcome indicators have been monitored mainly through various sector surveys carried out often. The project conducted RIMS surveys in 2006 and 2010, respectively to assess the outcomes and impact of the project by contracting out to the consulting firm, Mitra & Association. Nevertheless, both RIMS survey reports didn't calculate the index in the anchor impact indicator, "number of households with improvement in household asset ownership index". Instead, only the dynamics of some household asset items were presented.

38. As a result of follow-up to the recommendations made by the 2011 supervision mission, a senior full-time M&E officer has been recruited. Since then, the presentation of M&E results has improved, which is also a result of the last IFAD technical support mission in March 2012. Project data are disaggregated by gender and present correctly i.e. without double counting the total number of beneficiaries (direct participants). The 2011 supervision mission had pointed at inconsistent outcome and impact indicators.

39. The last supervision mission report included a table 2, coverage of target population, under the heading "effectiveness of targeting approach", part D "Project Implementation Performance". Project target groups were categorized as: (i) poor households with improved livelihoods; (ii) fishers (beel users) with increased fishing income; (iii) households benefiting from improved communication; and (iv) households benefiting from sanitary latrines and improved water supply. Since these indicators reflect the results of outreach for each project component rather than justify the effectiveness of project targeting approach, in this regard it may be more meaningful to monitor the number of different household groups benefiting from the project to highlight the project's targeting focus and effectiveness. As a result of follow-up to the recommendations made by the M&E technical support mission of March 2012, the mission appreciated that the project has modified those indicators by presenting (i) the number of landless households benefiting from the project; (ii) number of households (with less than 2.5 acres of land) benefiting from the project; (iii) other households benefiting from the project; and (iv) total number of project beneficiaries, by gender, without repeated counting.

40. Since the project will come to its completion in another one and half years, it may not be necessary to further refine these indicators of the current project logframe. It is recommended that the project will carry out a completion RIMS and outcome household survey before the project completion and that (i) presentation of RIMS survey results will include, among others, the compulsory indicators, "the number of households with improvement in household asset ownership index" and "the prevalence of children (under five years old) malnutrition". This would involve the re-entry of the RIMS survey data of 2006 and 2010 into the IFAD RIMS survey software for comparison as this has not been done yet; (ii) the outcome survey will use an appropriate questionnaire, in addition to the IFAD RIMS questionnaire, in order to fully answer the impact and outcome indicators in the project logframe. Both questionnaires will be used at the same time for the same households sampled.

41. The project intends to target a total number of 90,000 households, so far 125,980 households have been achieved. Meanwhile, the total number of beneficiaries was reported to be 125,980. The number of individual beneficiaries, men or women, may be equivalent to the number of beneficiary households, assuming that only one member was accepted to participate in the project activities. The mission is concerned that possibly two or more household members could have participated in the project activities and are not counted in.

42. **Gender focus.** The project implementation has been gender sensitive at all levels and hence, *it is rated highly satisfactory*. The PD was acknowledged by LGED as the best project director in 2011 for his persistent efforts in rural poverty alleviation, ensuring increased women participation and securing their role in development. The implementation of all components included good share of women. Up to June 2012, the project implementation has reached about 126,000 farmers, of which women accounted for 57%. In the 2,995 COs formed under the project, 2,145 are female attribute; women membership accounted for 71% of the total, 61,543 vs. 86,737 memberships. The number of woman borrowers from savings funds averaged at 14,852 842, accounting for 72.4% of the total membership. The project has trained a total of 77,393 farmers in agricultural and livestock production, of which the proportion of female trainees were 58,207 or 75.2% of total. 214 advanced farmers have been intensively trained as livestock vaccinators, for which 37.4% are women. The proportion of women participated in rural infrastructure construction activities reached 40% of the total. The 217 project-formed BUGs included 7,157 members, with 24% women holding the membership. All four cage fish culture pilot systems have been executed by women. In addition, due to direct inclusion of women in project activities, the project has also carried out a gender sensitization, through gender courses for project staff and CO members, observance of International Women's Day and distribution of gender sensitization materials.

43. With the help of the project, rural women have become more involved in development activities and are taking leading roles in decision making processes at home and in the communities. Many women have emerged as entrepreneurs, such as nursery runners, poultry raisers, and livestock vaccinators. A good example presented the two women in Biswamberpur Upazilla, who started their business in tree nursery and livestock, respectively, with a project credit in 2005. By now, both ladies are making good business; they are leading their respective women groups and assisting their members. Both received the national awards from the government in 2011 for their devotion to rural development and their efforts in bringing other women along in poverty reduction.

44. The supervision mission notes that the ratio of women vis-à-vis men in regular project staff at all levels is low with about only 6% woman in a decision-making position within the PMU. The mission encourages the government to place due attention to this issue in upcoming projects

45. **Poverty focus.** *The poverty focus for the project is rated satisfactory.* The project intends to target a total of 90,000 households, most of them are landless and marginal farmers (with less than 2.5 acres). So far the project has directly benefited about 125,980 rural households, of which 86,737 households had the membership with COs. About 10% of those households are categorized as landless and about 90% are marginal farms with less than 2.5 acres of land. Many of these households have improved their livelihoods through increased production and income after participating in the project activities. All COs members have the opportunity to run their household business and income generating activities by taking credit. Full-time fishers, who are usually landless, have acquired secure access to beels for fish production through forming of BUGs. The very poor are given priority to participate in the LCS for construction activities. Farmers benefit from the introduction of improved technologies for soil fertility, pest control, new crop varieties, seed treatment, animal feeding, improved animal breeds and livestock vaccination.

46. **Effectiveness of targeting approach.** *Effectiveness of targeting approach for the project is rated satisfactory.* The geographical targeting at design stage focussed rightly on rural areas in Sunamganj district. It is known as one of the poorest regions in the country. Most of the people live in very tight-knit clusters under overcrowded conditions in elevated villages, which become islands for about six months each year. The project design stated that about 246,000 out of the 285,530 rural households were eligible to benefit from the project. At the beginning of implementation, the project carried out a social and economic household survey and it maintains good database on different household categories. The project uses landholding (less than 2.5 acres) and gender as criteria for forming COs, BUGs and LCSs. The very poor and female-headed households are given priority in LCS activities. Implementation of project activities through the COs, BUGs and LCSs have well targeted the poor households. The project targeting approach is effective and has come out with good results as shown in the following Table.

Target group "category"	Appraisal target (No. of beneficiaries to be reached at completion)	Total number reached so far (cumulative)	
		Total number	Of which, women
Landless households	No target	12,905 (10.2% of total)	n/a
Households with land less than 2.5 acres	No target	112,865 (89.6% of total)	n/a
Other households	No target	210 (0.2% of total)	n/a
Total no. of households	90,000	125,980 (140% of target)	n/a
Beneficiaries – direct*	No target	125,980	71,708 (57% of total)

\*assumption: 1 member per HH benefits on average; see also RIMS table in appendix 6

47. **Knowledge management.** Knowledge management of the project continues to perform well and *it is rated highly satisfactory*. The mission is impressed by the documentation and knowledge sharing of the project, particularly in terms of capturing, analysing and disseminating experiences and successful stories in the project implementation. As noted by the last supervision mission, the project has contributed a lot of project experiences for a number of official statements of Government and relevant ministries. It provided materials on the empowerment of rural women and the connection with improved food security, which the Prime Minister of Bangladesh used in her address at the UN. Gender mainstreaming approach of the project was publicized by LGED and the project experiences were featured in the LGED's and IFAD's regional and national newsletters.

48. During the reporting period, the project generated a detailed audit reports for both, graduated and existing COs and BUGs and completed its annual report 2012 compiling all the information on project progress of the current year and future plans. The project is continuously engaging policy makers in its activities like profit distribution and the inauguration of roads in presence of a Minister and Members of the Parliaments. WFC organized a lesson sharing workshop at district level where Director General of LGD attended. It is planning a national workshop to share experiences in presence of policy makers that will help to contribute in policy influence in favour of community-based fishery management (CBFM).

49. On 17 July 2012, IFAD President Dr. Kanayo F. Nwanze visited a BUG in Bishwamberpur and a LCS road group in Sadar upazilla to observe the real challenges and results generated by the project. print and electronic media covers the IFAD president's visit. The President also inaugurated the start-up ceremony of the Haor Infrastructure and Livelihood Improvement Project (HILIP) that has been designed with the experiences and knowledge generated from the project. This event was well covered by the national and international media. In addition, a group of journalist from print and electronic media visited the project. Their experience during the visits through the interaction with the project beneficiaries were covered in daily newspaper and TV channel.

50. The project shares well its lessons with other projects within the country. As innovations of the project, the construction of block roads and cage fish culture have been scaled-up by other projects such as the Market Infrastructure Development Project in Charland Regions (MIDPCR). The project's experiences on planning, management and M&E, etc. are also well shared with HILIP, which would benefit the implementation and management of HILIP.

51. **Partnerships.** The project has built partnership with several agencies/institutions during its implementation. The Bangladesh Krishi Bank (BKB) is an important partner of the project. The project credit funds were channelled to project participants through BKB branch offices spread over the project upazillas in Sunamganj. Through this partnership, a total of 23,960 credit loans, valued at BDT 227.067 million have been delivered to 23,960 COs members including 15,842 women. At present the project is incurring expenditures for the recovery of BKB overdue loans. Unfortunately, BKB has not extended sufficient field level support for the recovery of these overdue payments to the project.

52. The project's partnership with BRRI, BARI, DAE and DLS has been productive. A total of 115 improved technologies, crop varieties and livestock breeds have been selected for demonstration and replication. Many of the technologies, varieties and breeds have shown good results and contributed to increasing the production and income of beneficiary households, as described in the section "Agriculture and Livestock", Part C "Outputs and Outcomes by Component" of this aide memoire.

53. Implementation of the community fisheries component is in partnership with the Department of Fisheries (DoF) and the WFC, with assistance from the Ministry of Land, Ministry of Youth and Sports, Administration, and the Department of Agriculture through establishing Memorandums of Understanding (MoU). DoF provided effective technical support to the project in terms of beel development, fish culture and capacity building for beneficiaries, etc. The fish catch and diversity monitoring, carried out annually by WFC, reports on the overall production, species diversity and income from fisheries.

Agreed action	Responsibility	Agreed date
The project will carry out a completion RIMS and outcome survey before the project completion and that (i) presentation of RIMS survey results will include, among others, the compulsory indicators, “the number of households with improvement in household asset ownership index” and “the prevalence of children (under five years old) malnutrition”; (ii) the outcome survey will use an appropriate questionnaire, in addition to the IFAD RIMS questionnaire, in order to fully answer to other impact and outcome indicators set up in the project logframe. Both questionnaires will be used for the same households sampled.	PMU	Before completion

### E. Fiduciary Aspects

54. **Financial management.** *Financial management of the project is rated satisfactory.* The overall management of all fiduciary related activities - for the PMU, SUPMs (Senior Upazila Project Manager) and COs - rests with the finance team at the PMU Liaison Office. The team, which includes one Finance Manager (FM) and two Finance Assistants, is small given the scope of its responsibilities. Considering that total project staff size is approx 131, the finance team can be considered understaffed. As noted by previous missions, despite the presence of Finance Assistants, the major responsibilities surrounding fiduciary management lay in the hands of the Project Director and Finance Manager. Other aspects of financial management including budgeting, accounting, internal controls, financial reporting and audits have either improved or remain stable since the last supervision mission.

55. **Disbursement.** *Disbursement of the project is rated as satisfactory.* Total IFAD loan disbursement up to the end of fiscal year 2011/12 stood at SDR 15,571,931.55 against an approved amount of SDR 17,550,000.00, reaching a disbursement level of approx 89%. The Government of Bangladesh has met 87% of its overall commitment to the project (USD 3,684,800). Beneficiary contributions stood at 100% of the approved amount.

56. *Expenditure by component:* As of FY 2012, total expenditure for all components was 84% of approved amounts. Expenditure against the infrastructure development component was highest at 86%, while Fisheries Development had lowest expenditure at 70%. The project clarified that due to the lengthy process involved in developing water bodies, and risk of flooding in project area, fisheries development has faced many constraints.

57. *Expenditure by category:* As in the prior FY, the highest disbursing category is credit at 97% and the lowest disbursing is Incremental Operating Costs at 58%. The project had a re-allocation in 2010, which impacted the disbursement level calculations across expense categories. As funds were shifted out of the Credit category, the disbursement level increased, while funding for Incremental Operating Costs was increased. As salaries for all staff are fixed, and did not increase due to re-allocation, the disbursement level for this category decreased.

58. **Counterpart funds.** *Counterpart financing of the project is rated highly satisfactory.* The counterpart funds committed by the Government of Bangladesh (GoB) at the beginning of the project were BDT 252.41 million, equivalent to USD 4,463,000 (does not change over life of project). The exchange rate at time of commitment was 56.50 BDT/USD, while the 2012 FYE exchange rate is 68.50 BDT/USD. Due to this, the GoB funding is currently valued at USD 3,684,800. Of this amount, the GoB has provided a total of BDT 218.378 million amounting to 86.52% of commitment. Beneficiary contributions were 100% disbursed as of 30 June 2012, the approved amount being valued at project inception as BDT 43.696 million.

59. **Compliance with loan covenants.** *Overall, compliance with loan covenants is rated satisfactory.* As in the prior year, the Borrower has complied with most Loan covenants. Two covenants in the previous FY that were in non-compliance have achieved full compliance in the current FY. The project has still not achieved compliance in two covenants. Details of compliance are noted in Appendix 4.

60. **Procurement.** *The project procurement is rated satisfactory.* As the project is nearing completion, no new Civil Works or Services were contracted in FY 2012. However, payments for infrastructure works commenced in 2011 continued into 2012. There were a few cases of Goods being purchased in 2012, using the Request for Quotation (RFQ) method. Most of the Civil Works infrastructure activity contracted in the last year used the LCSs through direct contracting. The services of other private contractors were procured using the National Open Tendering Method (NCB). This mission examined two cases of Civil Works contracted in 2011, and one case of Goods purchased in 2012. The infrastructure activity, conducted by LCS, is monitored by the Infrastructure Management Coordinator (IMC) at the PMU Level and by the sub-assistant engineer (SUPM) at the Upazila level. The works are then verified by the LGED/Project Civil Engineer before being signed off by the PD. This mission verified a few cases of LCS contract packages and found the supporting documentation to be in order. The other procurement packages verified also complied with the PPR 2008 and IFAD Procurement Guidelines.

61. **Review of the Special Account, SOEs, Project Accounts.** The mission reviewed withdrawal application (WA) number 81 and sampled the supporting documentation against which Statements of Expenditures (SOE) were submitted to IFAD. The detailed observations are noted in Annex III.

62. During the review of the above application, and as noted by the previous supervision mission, it was observed that the amounts claimed from IFAD are those that are advanced to the COs, WFC and TC (Training Coordinator). Amounts advanced are reconciled by the PMU finance staff prior to advancing the next instalment to the respective entities. The internal control mechanism and the reporting mechanism for the above mentioned transfers were re-examined and found to be consistent with prior year mission findings. These mechanisms are detailed in Annex III.

63. This mission confirms that the monitoring, internal control and reporting mechanisms are sufficient to ensure that IFAD funds are used for the purposes intended. In addition, with respect to CO, WFC, and TC accounts, the project is in compliance with the following requirements set by the previous supervision mission:

- (a) The monthly summary report (format attached in Annex III) will be submitted to the PD and the FM by each Upazila.
- (b) When amounts have been claimed, by the Project in a WA, against Categories 1 and 4 (Earth and Civil Works and Technical Assistance, Training and Studies respectively) and amounts have been transferred to the CO, WFC and/or TC, the submission will include the monthly summary report, verified and signed in original by the IMC, the PD and the FM.
- (c) For year-end financial reporting purposes, the amounts claimed from IFAD will be reconciled against the actual expenditures and balances available. The financial year audit will, on a sample basis, confirm the accuracy of the monthly statements as part of their review of SOEs.
- (d) IFAD continues to retain the right to request for any other supporting documentation that it may require in the review of withdrawal applications submitted by the Project.

64. It is therefore re-confirmed that amounts transferred from the PMU operational account to the CO, WFC and TC accounts are eligible expenditures to be claimed from IFAD.

65. The project financial records were examined and Loan and Category balances (maintained in SDR) reconcile with IFAD's LGS records. Automated accounting software is available at the PMU office and is utilized for general ledger entries and to prepare the SOEs/Summary sheets. Despite the presence of software, financial reports are still generated by the Finance Manager using Excel spreadsheets.

66. Universal Financial Management Software (UFMS) is the accounting software in use at the PMU, Dhaka. This is LGED's customized software, developed for its own internal use. The software is in English, and is integrated with the rest of LGED. SOEs are auto-generated from the software, other project financial statements (PFS) are also able to be generated, but the project is unable to generate them. The barrier to full utilization of software is lack of technical support/training. In all of LGED, there is only one staff available to develop and support this application for all staff. The LGED's servers provide backup for all project data stored on the UFMS, so data recovery and business continuity is assured.

67. **Audit.** *The project audit is rated satisfactory.* The audit for fiscal year 2010-2011 was due at IFAD on December 31, 2011 and received on 27 December 2011. By law, the financial statements of all IFAD funded projects are audited by the Foreign Aided Project Audit Directorate (FAPAD), which conducts the audit using International Standards of Auditing and INTOSAI. A qualified opinion was issued on the financial statements for the fiscal year 1 July

2010 to 30 June 2011. The reason for the qualification was that an advance of Tk.916,884 was stated as expenditure in the project financial statements even though no adjustment was made through actual expenditure vouchers or realized within the financial year. The result is that expenditure is overstated in the PFS. However, the audit log was updated in December 2011 to indicate that the advance was settled and qualification resolved. As of the date of this mission, all outstanding observations in the audit log are settled (see Appendix 8). This mission has obtained documentary evidence supporting resolution of pending audit issues.

Agreed action	Responsibility	Agreed date
Project staff at Upazila level will monitor the financial activities of LCS to identify weaknesses and provide solutions to them. The project will also train LCS present and secretaries and all members in order to increase their management and financial skills.	PMU and IFAD	20 Oct. 2012 onwards
The Fixed Assets Register of the project will be modified to incorporate information regarding asset disposal and write-off, standard procedure for write-off is required.	PMU	20 Oct. 2012 onwards

## F. Sustainability

68. **Institutional sustainability.** *Institutional sustainability for the project is rated satisfactory.* To date, a majority of BUGs have achieved significant levels of maturity. Indeed, a performance audit of BUGs carried out in June-July, 2011 indicated that BUGs have achieved substantial capacity in the area of leadership, financial management and entrepreneurial skills. The participatory decision making procedures put in place are transparent and acceptable to a majority of the BUG members. Leadership skills are quite advanced and democratic values are exercised in leadership change processes, decision making processes are participatory, management skills continue to improve. While the remaining development activities for existing BUGs will be carried over to the newly started HILIP project, which is the follow-up of SCBRMP. The BUG's access to the water bodies should be guaranteed beyond the HILIP project period (2019) within the existing government policy framework.

69. **Social sustainability (Empowerment).** *Social sustainability for the project is foreseeable, thus it is rated satisfactory.* The project has benefited close to 126,000 men and women in the project area. A large number of beneficiaries have improved their capacity in running farm business after receiving training from the project. The project M&E indicates that 11,786 farmers have trained on infrastructure development, 18,495 on fisheries, 77,393 on agriculture and livestock, and 36,624 on micro-credit activities. With improved skills and access to resources, overall livelihoods and social status of the poor have raised significantly. Particularly, the forming of interest groups i.e. COs, BUGs and LCSs, has enhanced the community participatory self-management capacity, which would have profound effect on the future development of the project area. COs members have increasingly been elected in the administration of grass-roots level. BUGs have continuously increased their expenditures on social welfare activities to support the poor in their communities.

70. **Economic and financial sustainability.** *Economic and financial sustainability of the project is rated satisfactory.* A large number of project beneficiaries have significantly increased their cash income by running income generating activities with credit, engaging in fish culture, increasing agriculture and livestock production, and/or joining the LCSs for infrastructure development. Income increase, together improved skills and access to resources, would consequently enhance their self-financial capacity, which would be more sustainable than external support. Many COs continue their credit activities in the project area, although they have been graduated. In addition, more and more project beneficiaries would become regular clients of rural financial institutions as a result of enhanced services and improved capacity of rural farmers.

71. **Technical sustainability.** *The project technical sustainability is rated satisfactory.* The project partnership with BRRI, BARI, DAE, ALS, DoF and WFC has actually created a good potential of technical sustainability for the project. These institutions would continue their devotion to the development of agriculture, livestock and fisheries in the project area, which is an integrated part of rural development strategy in the country. Technical services to the project beneficiaries would continue to be available even after the project will be phased out. In addition, the technical capacity of beneficiaries has also been enhanced greatly through their participation in numerous training activities. The 1,405 intensively-trained, advanced farmers and livestock vaccinators are now able to provide support services to other farmers in the communities and their number is expected to increase. In terms of the construction and maintenance of rural infrastructure, technical backup from LGED line agencies is likely to continue.



72. **Environmental sustainability.** *Environmental sustainability of the project is rated satisfactory.* The construction of village roads with concrete or block is carried out mainly on the existing earthen and gravel roads, thus they are not expected to have any adverse impact. Measures were also taken to avoid any potential negative environmental impact during road construction, which included the assessment of environmental impact before the construction and the protection of trees and other vegetation.

73. Technical training for project beneficiaries in agriculture, livestock and fisheries is often linked with training on environment-friendly practices. With improved awareness of farmers on the benefit of environmental protection, environmentally-sound practices in production activities would become more and more common. Examples are the introduction of integrated pest management (IPM), pheromone trap, bio-pesticide and bio-fertilizers. Results from the latest WFC fish biodiversity study demonstrates the continuous increase of endangered and severely endangered fish species.

74. **Exit strategy.** *Project exit strategy is rated satisfactory.* The project objectives are in line with the government strategy on poverty reduction and rural development. It is very likely that the government continues supporting the overall development of the project area after the project will be completed.

75. Three MoUs have been signed between Ministry of Land and Local Government Division on transferring 280 beels to LGED, of which 202 have been distributed to the fisher communities. Therefore, the post-project access of BUGs to the beels has been ensured. Field visits indicate that most of the project-formed BUGs are self-operational, although in some cases technical support is required to further enhance their capacity of internal management. HILIP, a follow up project of SCBRMP, will cover Sunamganj and expand to 4 additional districts and continue to support the current BUGs.

76. The village roads visited are all in good quality. Within the project life, maintenance of those roads is arranged by the project. After project, arrangements are required to ensure that necessary budget is available for maintenance works. It is noted that the maintenance of the project-built village roads are under the mandate of LGED and the Union Parishad.

77. The project has maintained strong collaboration with BRRRI, BARI, DAE and DLS in technology transfer activities. After the project will be completed, those institutions would take over the project supported farmers under their promotional activities.

Agreed action	Responsibility	Agreed date
The two MOUs of 2006 and 2010 with Ministry of Land should be amended to extend their duration up to 2019 and to align them with the MOU of 2011.	PMU	Jun. 2013
The project will initiate the necessary process for giving legal status to the functioning BUGs and facilitate BUG and LGED representation in the official committees at the district and upazilla level.	PMU	6 months before expired of the MoU period

## G. Impact

78. **Physical and financial assets.** *Project impact on the household physical/financial assets in the project area is rated satisfactory.* The project has contributed to improving the livelihoods of rural farmers in the project area through improved access to communications and resources, strengthened technical services and enhanced capacity, and increased production and income. This is reflected in the qualitative and quantitative improvement of household assets. Although the impact indicator, number of households with improvement in household asset ownership index, was not calculated, results from the 2010 RIMS survey indicate that a large number of households have increased and/or improved their household assets since the project start-up. This includes an increase or improvement of houses, livestock, farm tools, TV, motorcycle, pushbike, and electrical fan, etc. as a result of the growth in production and cash income. Although the share of project's contribution to such improvement is difficult to assess quantitatively, beneficiaries confirmed the positive impact of the project activities on their livelihoods.

79. **Food security.** *The project's impact on improving food security in the project area is rated satisfactory.* The 2010 RIMS survey revealed that the number of households suffered from two hunger seasons in a year has decreased by about 8% since 2006 and the number of households suffered from 7-12 months of food insecurity has been reduced by 58% in the same period. The average

length of hunger season for the sample households decreased from 3.57 months to 3.11 months. The improvement of food security in the project area is also reflected in the reduction of the prevalence of children malnutrition, the prevalence of chronic malnutrition for children under 5-year old decreased from 56.7% to 47.9%. The project contributes to the improved food security mainly through the increase of food production by introducing improved technologies and new varieties and improved technical services, in addition to income increase from diversified production activities. Field visits confirm the positive impact of project activities on the increase of food production in the project area though the results cannot be attributed to the project alone.

80. **Increase in incomes.** The project contributes to the increase in income of project beneficiaries through the secured access to natural resources for fish culture, participating in infrastructure construction activities, provision of credit for income generating activities, access to improved technologies for increasing crop and livestock productions and enhancing product values with improved communications. According to the recent WFC survey, the average income for fisher households has increased by 89% in the project area, from about USD 691 in 2004 to USD 1306 in 2012. The mission's field visits also confirm that the BUGs members' income has increased substantially through the fish culture activities.

81. **Policy impact.** As the last supervision mission noted that community management of inland fisheries' resources, as implemented by the project, contributed to the New Fisheries' Management Policy of 2009. Construction of concrete block roads has become a new standard design option for village roads. Moreover, due to its special submersible as well as adaptation attributes, it might have an impact upon government policy decision when constructing roads in coastal regions of Bangladesh.

## H. Conclusion

82. The project management performs successfully and has contributed to an overall good progress of the project. The financial management complies with IFAD's requirements and generates reliable financial information. Project activities have been responded well to the vital needs of the target groups through secured access to beels, strengthened technical services, enhanced production capacity in agriculture, livestock and fisheries. They have resulted to sharp increase in production and incomes at the household levels. The project has also endeavoured piloting innovations such submersible dams, village protection walls, block roads and cage fish culture. As a consequence, the project has substantially contributed to improving the livelihoods of beneficiaries.

83. The project has been very gender sensitive throughout the implementation phase. The poverty focus has been satisfactory and the project M&E is functioning well. Knowledge management of the project is highly impressive, particularly in terms of capturing, analysing and sharing of experiences with other projects in the country.

84. While recognising the success of the project, the mission would like to reiterate some key findings that require the attention of Project Management, LGED and other stakeholders, which are as follows:

- Since the project is being scaled up by a succeeding project - HILIP, particularly the secure access of fisheries households to 300 beels becomes a very critical issue for the success of both, SCBRMP and HILIP. It is recommended that the two MOUs of 2006 and 2010 with Ministry of Land should be amended to extend their duration up to 2019 to align them with the MOU of 2011. It is expected that the BUG's access to the water bodies should be guaranteed beyond the HILIP project period (2019) within the existing government policy framework.
- For the successful completion of SCBRMP, it is recommended that the Ministry of Land and LGED complete as soon as possible the necessary replacement process for the 31 non eligible beels and the transfer of the remaining 20 beels.
- As per project target, 300 beels will be handed over during the implementation period. Due to the time required for the process of handing over the beels, the development of some of the remaining beels may not be accomplished before the project closing. The remaining funds may be re-allocated to other development activities under the project.
- Some of the village roads do not have adequate shoulders, which may lead to damages of the roads. The project should take corrective measures to this problem by building adequate shoulders to the roads. In addition, the Government should ensure the timely availability of maintenance funds for all roads built by the project.

- The project is requested to carry out a completion RIMS and outcome household survey before the project completion in order to assess the outcomes and impact of the project: (i) presentation of RIMS survey results should include, among others, the compulsory indicators, “the number of households with improvement in household asset ownership index” and “the prevalence of children (under 5-year old) malnutrition by gender”; (ii) the outcome survey should use an appropriate questionnaire, in addition to the IFAD RIMS questionnaire, in order to fully answer to other impact and outcome indicators set up in the project logframe. Both questionnaires will be used for the same households sampled.

85. IFAD and the Government of Bangladesh endorsed the findings of the supervision mission laid out in this Aide Memoire.

## **Appendices**

- Appendix 1 Summary of project status and ratings
- Appendix 2 Progress against previous mission recommendations
- Appendix 3 Financial performance by financier; Disbursements by category and component
- Appendix 4 Compliance with financing agreement covenants
- Appendix 5 Physical progress measured against AWPB and project targets
- Appendix 6 RIMS table
- Appendix 7 Learning and innovation
- Appendix 8 Audit log
- Appendix 9 Project Logframe against achievement
- Appendix 10 Supervision mission schedule and persons met
- Appendix 11 Summary of implementation support provided by IFAD
- Appendix 12 PMU proposal for use of the "idle" credit funds recovered

## Appendix 1. Summary of Project Status and Ratings

### Basic Facts

Country	Bangladesh		Project ID	1165	Loan/DSF Grant No.	567
Project	Sunamganj Community-Based Resource Management Project				Supp. Loan/DSF Grant	
Date of Update	18-Oct-2012				Financing terms	HC
Supervising Inst.	IFAD/IFAD					
No. of Supervisions	8	No. of Implementation Support/Follow-up missions	10			
Last Supervision	Sept-2011	Last Implementation Support/Follow-up mission	Feb-2012			

				USD million	Disb. rate %	
Approval	12-Sep-2001			Total costs	31.86	82.3
Agreement	14-Nov-2001	Effectiveness lag	16.3	IFAD Total	27.53	
Effectiveness	14-Jan-2003	PAR value	Not at risk	IFAD loan	27.53	81.3
MTR	01-Aug-2010			DSF grant		
Current completion	31-Mar-2014	Last Amendment	08-Jun-2007	IFAD grant		
Current closing	30-Sep-2014	Last Audit	13-Dec-2010	Domestic Total	4.32	
No. of extensions	0			Beneficiaries	0.64	100.0
				Government	3.68	87
				Co-financing total		

### Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	4	5	1. Quality of project management	5	6
2. Acceptable disbursement rate	4	5	2. Performance of M&E	5	5
3. Counterpart funds	6	6	3. Coherence between AWPB & implementation	5	5
4. Compliance with loan covenants	5	5	4. Gender focus	5	6
5. Compliance with procurement	4	5	5. Poverty focus	5	5
6. Quality and timeliness of audits	5	5	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	5	6

B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
1. Rural infrastructure	6	6	1. Institution building (organizations, etc.)	4	5
2. Fisheries Development.	5	5	2. Empowerment	5	5
3. Crop and Livestock Production	5	5	3. Quality of beneficiary participation	4	5
4. Microfinance	4	5	4. Responsiveness of service providers	5	5
			5. Exit strategy (readiness and quality)	4	5
			6. Potential for scaling up and replication	5	5

#### B.5 Justification of ratings:

- Project implementation management performs sufficiently, which has contributed to an overall good progress of the project. Project activities have been well incorporated with the vitally needs of project target groups with appreciable innovations. Financial management complies with the Loan Agreement and generates reliable financial information.

- Total IFAD loan disbursement reached approx 89%, GoB counterpart financing met 87% of its commitment and beneficiary contributions stood at 100% of the approved amount.

- Project is highly gender sensitive during implementation. Poverty focus is also satisfactory. Project M&E is functioning well. Knowledge management of the project is highly impressive, particularly in terms of capturing, analysing and sharing of experiences with other projects in the country.

## Overall Assessment and Risk Profile

	Last	Current
C.1 Physical/financial assets	5	5
C.2 Food security	5	5
C.3 Overall <b>implementation progress</b> (Sections B1 and B2)	5	5
Rationale for implementation progress rating: Cumulative financial achievement reached 82.3% against the approved total target. Physically, most of the project activities are 100% or close to 100% completed against their respective targets. The recommendations of the last supervision and follow-up missions have been well addressed.		
C.4 Likelihood of achieving the development objectives (section B3 and B4)	5	5
Rationale for development objectives rating: Project has benefited close to 126,000 men and women against its total target of 90,000 and it has contributed to improving the livelihoods of rural farmers in the project area through improved access to communications and resources, strengthened technical services and enhanced capacity, and increased production and income. The project RIMS survey and other sector surveys indicate that household income, food security and nutrition for children of the project beneficiaries have been significantly increased and/or improved after the project interventions.		
<b>C. Risks</b> Short description of major risks for each section and their impact on achievement of development objectives and sustainability		
Fiduciary aspects	No major risks are concluded by the mission.	
Project implementation progress	Overall project implementation progress is satisfactory. However, the physical target for water bodies (beels) development would need to be re-adjusted due to the lengthy process involved in the hand-over of water bodies and the risk of flooding in project area.	
Outputs and outcomes	All components under the project have generated good outputs and outcomes. No major risks are concluded by the mission.	
Sustainability	<ul style="list-style-type: none"> <li>- The two MOUs of 2006 and 2010 with Ministry of Land should be amended to extend their duration up to 2019 to align them with the MOU of 2011.</li> <li>- The project needs to initiate the necessary process for giving legal status to the functioning BUGs and facilitate BUG and LGED representation in the official committees at the district and upazilla level.</li> <li>- Some of the village roads do not have adequate shoulders, which may accelerate damage of the roads and cause inconvenience to the users. The project should take corrective measures to this problem by building adequate shoulders to the roads. In addition, arrangements with LGED and Union Parishads are required to ensure the maintenance of project-built village roads by providing funding support beyond project period.</li> </ul>	

## Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Target of water body development is yet to be reached.	Replacement process of the 31 beels and transfer of the remaining 20 of the targeted 300 beels should be done by the Ministry of Land.	End of Nov. 2012	
For sustainability of the project	Since some of the village roads do not have adequate shoulders, the project will take corrective measures to this problem by building adequate shoulders with carried earth, and arrangements with LGED and Union Parishads are required to ensure the maintenance of project-built village roads by providing funding support beyond project period.	Nov 2012 onwards	
	The two MOUs of 2006 and 2010 with Ministry of Land should be amended to extend their duration up to 2019 to align them with the MOU of 2011.	End of Nov. 2012	
For assessment of project outcomes and impact	The project will initiate the necessary process for giving legal status to the functioning BUGs and facilitate BUG and LGED representation in the official committees at the district and upazilla level.	6 months before expired of the MoU period	
	The project will carry out a completion RIMS and outcome household survey before the project completion.	Before completion	

### Appendix 2. Progress against Previous Supervision Mission's Recommendations

Sl. No.	Ref: Page No.	Agreed Action	Key Responsibility	Agreed Date	Progress as on September 31 2012
<b>Microfinance</b>					
1	3	Strengthen and intensify project efforts to recover overdue loans and determine the volume of bad debts.	PMU	10-2011 onwards	Total 2486 (83%) COs graduated out of 2995 COs, 2011-12 AWPB target achieved by 67%.
2	3	Utilize the Risk fund and a part of SAB fund to offset bad debts.	PMU	6-2012 onwards	Considering the death case only 5.51 LTK bad debts adjusted from risk fund.
3	3	Build capacity of COs on democratic leadership, networking, book keeping and functionally link them with public and private sector service providers.	PMU	10-2011 onwards	Before graduation a day long discussion is going on to inform the CO how they will run their group if they want.
4	3	Credit fund of around BDT 8.54 million that lies with BKB to be reallocated to infrastructure development except for multipurpose village centre.	PMU	1-2012 onwards	The matter was placed in the PSC meeting and recommendation was considered but it needs further reallocation of this fund as project earning in the DPP after getting approval project can utilized it.
<b>Community Fisheries</b>					
5	4	Handing over and making BUGs operational in 58 beels	PMU	12-2011	40 nos of beel already have been handed over and rest are going to handover within April 2013
6	4	Complete MOU for 89 beels	PMU	By 6-2012	MoU for 69 water bodies has been signed and rest 20 is under process
7	4	A cost-benefit analysis of BUG fishing to be carried out by WFC.	PMU	6-2012	Done and it will be presented by WFC
8	4	Increase share of wages in group/major fishing from one-fourth to one-third of catch (once a cost/benefit analysis has been done).	PMU	Start of group fishing 10/11-2011	The issue has been discussed with BUG and increased accordingly in last fishing. Benefit and wage ratio is now 65 : 35
9	4	Initiate pilot seasonal stocking in nine sites, one in each upazila.	PMU	11/12-2011	Done in one site and others are planned for October 2012.
10	4	Amend BUG management guidelines to require that at least one office bearer of the BMC should be a woman (to stimulate participation of women).	PMU	6-2012	Done and included in BUG guidelines
11	4	Redeploy Senior Social Organizer and other staff to work on improving BUG management.	PD	10-2011	He is working as recommended suggested.
12	4	Amend BUG management guidelines to require profit distribution in public functions in large and with project representative in small beels.	PMU	End of fishing season, 3-2012	Done and included in BUG guidelines

<b>Rural Infrastructure</b>					
13	6	For mass production of quality blocks, the job centre based block production system involving LCS members should be introduced	PMU	Before the end of 2011	Partially the recommendation was introduced in T. PUR UZ. But few initial problems like non-availability of suitable place, material carrying problem where place is available, found barrier in legality in fund release for primary establishment cost of Job center. Will initiate in this financial year also.
14	6	To improve riding quality of block roads, from now on blocks will be laid only by aligning long side with the vehicular travel path	PMU	10-2011	Orientation of block already addressed in design and work is progressing.( Derai, B.Pur, T.pur)
15	6	Efforts will be made to include relevant items of temporary patch works in the LGED's Rate of Schedule	PD	Before the end of 2011	Work is on-going and main items of Block pavement already included in the LGED rate schedule.
16	6	Considering the health hazard issue, until and unless the arsenic problem is solved, continuous efforts should be made to raise awareness about dangers of arsenic	PMU	Continuous	Progressing
17	6	The possibility of installing deep tube wells involving COs will be examined	PMU	10-2011 onwards	On going
18	6	To verify the existing geometric configuration of dam structures as well as to assess the long term impact of these structures on channel stability and morphology, a hydrological study will be conducted	PMU	11-2011	Complete
<b>Agriculture</b>					
19	7	Adaptive research for variety selection of boro rice is to be continued.	ASC, PD	Continuing	Done and Adaptive Research are : 1.Adaptive Research trial : earliness and yield in boro season 2. Adaptive Research trial: considering drought tolerance in boro season 3. Adaptive Research trial: Alternating and drying
20	7	Silted canals are to be re-excavated under agricultural infrastructure development to conserve rain water for irrigation purposes. A study is to be commissioned to measure the impact of dams in agricultural production.	ASC, SUPM, MC and PD of PMU	Finalized by 3-2012	Totally 5 kms canal re-excavation has done under agriculture infrastructure development and Impact study of Dam are on going
21	7	Campaign on seed treatment for controlling Bakani disease is to be organized. Seed support program is to be continued as seed crisis is one of the important limitations identified to adopt technologies learned from training.	ASC, MC	11-2011	Initiate has been taken through campaign about seed treatment for controlling bakani disease (Totally 1350 no of farmers.) Seed support has been given to Mustard, Sweet gourd, Wheat, Country bean, Black gram , BRRI Dhan 33,44,46 for 9 Upazilas to 1603 numbers of farmers



22	7	The project should arrange weeklong upgraded training courses for selected vaccinator to upgrade their quality in animal treatment. To have success in mini hatchery business, model breeder and chick rearing farms are to be introduced in promising locations with partial project support.	TC, MC, ASC	Start 11-2011	Training course has done according to agreed action. 8 mini hatchery in 8 Upazillas , 3 model breeders in 3 Upazillas and 5 chick rearing unit in 5Upazillas has been established
<b>Project Implementation</b>					
23	7	Staff salary is to be adjusted (de facto implemented) and insurance provided based on MTR/last SM recommendation and resource availability.	PD, PMU	Latest 11-2011	Staff salary already Increased and implemented.
24	8	An official/formal vacancy announcement should be formalized to cover the vacant position of the chief M&E officer of the project.	PD	10-2011	M & E officer is already working but not newly recruited. Exiting Nurul amin is working as full time M&E
25	8	An IFAD M&E project support mission should be carried out to help verifying inconsistencies and shortcomings of the current impact monitoring set-up and to formally define clear-cut quantitative impact indicators/targets on all levels of the log-frame/AWPB and the methodologically correct means of verification.	IFAD	11-2011 (latest when the new project M&E officer is recruited)	Done accordingly during March 2012
<b>Knowledge Management</b>					
26	9	Project induced valuable databases, documents, information, reports, design drawings, guidelines etc. - incl. documentation on project gender impact - should be well catalogued in both electronic and hard copy forms by the PMU.	PMU	11-2011	Both electronic and printed copy preserved in PMU and liaison office.
<b>Fiduciary Aspects</b>					
27	11	The amounts transferred to CO, WFC and TC will be deemed expenditures provided that a monthly summary statement reconciling the amounts advanced and amounts expended are received by IFAD with each WA. A year-end reconciliation will be provided as part of the financial statements for auditor verification. This will be included as part of the auditors TOR.	PMU	Starting with submission of Application No. 72	Summary reconciliation is regularly following up and attached with the WA as proposed. Auditors also reviewed the report.
28	11	As the major responsibility lies with the Finance Manager, it was recommended that the 2 available Finance Assistants receive training, either from the Finance Manager, or from IFAD so that their capacities can be built to better support the Finance Manager. It is also recommended that IFAD plan a training mission, for Financial Management and Disbursements, for all projects in Bangladesh within	PMU and IFAD	Before end of next fiscal year	IFAD already conducted a training for the Finance officers during 23-26 April 2012.

		the next fiscal year so available finance staff can build on their skills.			
<b>Sustainability Aspects</b>					
29	13	The project should retain required numbers of CDF to support agricultural activities even though COs have been graduated.	PD+ Agriculture Coordinator+ Senior Upazila Project Manager	12-2011	CDF has been recruited to support agriculture activities
<b>Exit Strategy</b>					
30	13	Finalize exit strategy in a workshop.	PMU	2-2012	Need to be done
31	13	Frame legally valid documents for awarding user rights to BUGs and membership identity cards to individual members.	PMU, PD and MC (Management Consultant)	12-2011	User rights to BUGs and membership identity cards have already given.
32	13	LGED to issue user rights certificates to BUGs and membership identity cards to individual members.	LGED, XEN and UEs	Immediately on payment of lease fee in 4-2012	Done accordingly.
33	13	Engage a lawyer for the above and to formulate a legal basis for BUGs registered with LGED.	PMU, PD and MC	11-2011	Document already prepared and need further discussion with upcoming Mission.
34	13	Initiatives will be taken to make an especial arrangement with LGED for future road renovation and maintenance works.	PD	Before the end of 2011	Upazilla roads and Union roads will be maintained by LGED and Rural roads will maintained by the LGI.
35	13	Guidelines will be prepared beforehand for determining present serviceability index (PSI) of all roads.	PMU	Before the end of 2011	Need more clarification and assistance from IFAD.
36	13	The project is to list down the supported farmers to submit to DAE in order to identify the upgraded farmers.	ASC, SMS agriculture	By 3-2012	The list of supported farmers (550) has been submitted to DAE to upgraded farmers.
37	13	The list of vaccinators and paravets is to be submitted to DLS to ensure departmental supports.	ASC, SMS livestock	By 3-2012	The list of vaccinators (214) has been submitted to DLS to ensure departmental support

### Appendix 3: Financial Performance

**Table 3A: Financial performance by financier**

Financier	Approval <sup>1</sup> (USD '000)	Disbursements <sup>2</sup> (USD '000)	Per cent disbursed
(in USD '000 as at June 30, 2012)			
IFAD loan	27,532.70	22,383.69	81.30
Government	3,684.80	3188.00	86.52
Beneficiary Contribution	637.90	637.90	100.00
<b>Total</b>	<b>31,855.40</b>	<b>26,209.59</b>	<b>82.28</b>

<sup>1</sup>Exchange rate for approved amounts is USD 1.4212/SDR and BDT 68.5/USD

<sup>2</sup>This excludes the initial deposits for USD 2,000,000.00

**Table 3B: Financial performance by financier by component**

Component	IFAD Loan			Government			Beneficiaries			Total		
	Approval <sup>1</sup>	Actual <sup>2</sup>	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
(amounts in USD '000 as at June 30, 2012)												
Infrastructure Development	13353.84	11315.06	84.73	3285.37	2899.33	88	618.20	618.20	100	17257.42	14832.59	85.95
Fisheries Development	3882.29	2709.79	69.80				19.7	19.7	100	3901.99	2729.49	69.95
Agriculture and Livestock Development	1583.17	1185.75	74.90							1583.17	1185.75	74.90
Micro-Finance	1980.37	1693.99	85.54							1980.37	1693.99	85.54
Institutional Support	6733.05	5479.10	81.38	399.43	288.67	72				7132.48	5767.77	80.87
Un allocated		0.00								0.00	0.00	0.00
<b>TOTAL</b>	<b>27532.71</b>	<b>22383.69<sup>3</sup></b>	<b>81.30</b>	<b>3684.80</b>	<b>3188.00</b>	<b>87</b>	<b>637.90</b>	<b>637.9</b>	<b>100</b>	<b>31855.42</b>	<b>26209.59</b>	<b>82.28</b>

<sup>1</sup>Exchange rate is calculated at USD 1.42/SDR.

<sup>2</sup>Exchange rate is a moving rate based on claims submitted to IFAD. It is calculated on an on-going basis.

<sup>3</sup> Actual disbursed amount in Tables 3A and 3B exclude the initial advances of USD 2,000,000 but include the most recent WAL 83 (USD 488,210.31) submitted to, and refunded by, IFAD. The amounts in both tables have been reconciled.

**Table 3C: IFAD Loan Disbursements**

Category	Category Description	Original Allocation	Revised Allocation (as on 6 November 2007)	Revised Allocation (as on October 20, 2010)	Disbursement	WAL 83 pending refund from IFAD	Balance	Per cent disbursed
(in SDRs as at June 30, 2012)								
I	Earth and Civil Works	1,210,000.00	5,500,000.00	9,300,000.00	8,377,363.18	226,900.36	695,736.46	90.08%
II	Equipment and Materials	250,000.00	335,000.00	190,000.00	148,945.17	5,610.68	35,444.15	78.39%
III	Vehicles	120,000.00	265,000.00	270,000.00	220,310.62	0	49,689.38	81.60%
IV	Technical Assistance, Training and Studies	1,030,000.00	2,160,000.00	2,670,000.00	2,038,642.98	31,570.47	599,786.55	76.35%
V	Credit	460,000.00	2,315,000.00	930,000.00	900,170.53	0	29,829.47	96.79%
VI	Incremental Operation Costs:							
	(a) Salaries and Allowances	1,000,000.00	2,295,000.00	3,320,000.00	1,923,275.84	52,395.33	1,344,328.83	57.93%
	(b) Operating Costs	460,000.00	680,000.00	870,000.00	645,011.51	9,083.52	215,904.97	74.14%
VII	Unallocated	530,000.00	975,000.00		0	0		
	Sub-Total Phase I							
	Phase II	5,770,000.00					-	
	Phase III	6,720,000.00	3,025,000.00			0		
	Initial deposit				1,318,211.72			
	<b>Total</b>	<b>17,550,000.00</b>	<b>17,550,000.00</b>	<b>17,550,000.00</b>	<b>15,571,931.55</b>	<b>325,560.36</b>	<b>1,652,508.09</b>	<b>88.73%</b>

#### Appendix 4: Compliance with financing agreement covenants

Section	Covenant	Target/Action Due Date	Compliance Status/Date	Remarks
2.03	Opening of Special Account in USD	After effectiveness	Complied	
2.04	Use of Proceeds		Complied	
3.01	Project Implementation		Complied	
3.02	Annual Work Plans and Budgets		Complied	
3.03	Project Account		Complied	
3.04	Availability of Loan Proceeds		Complied	
3.05	Availability of Additional Resources		Complied	Counterpart funds equivalent to BDT 2,524,000,000 is being received over life of project
3.06	Channelling of Project Resources		Complied	Micro finance component funds were reallocated to other components at start of Phase III
3.07	Procurement		Complied	
4.02	Monitoring		Complied	
4.02	Progress Reports		Complied	For the FY 2013, the project sent the AWPB with the progress report included to IFAD. The documents sent by the project were approved by IFAD on October 8, 2012, through an email sent by Shankar Kutty. See email for details of the approval. The documents were sent to IFAD by Sept 15, the delay was due to discussions between the PD and IFAD. In future, recommendation is made that the project submit Report soon after FYE closing. This covenant has been complied with for the FY 2013.
4.03	Semi-Autonomous Body Review		A review of the need for the Semi-Autonomous Body was conducted during phase 1	
4.04	Phase Reviews		Complied	
4.05	Completion Report	not later than 6 months after Project Completion Date	Not Due	
4.06	Evaluations		Not applicable to date	
5.01	Financial Statements	3 months after end of each fiscal year (Sept 30)	Complied	For the FY 2012, the PFS were handed over to FAPAD on 4 Sept 2012. This mission saw evidence of FAPAD acknowledging handover of documents on that date. The unaudited PFS for FY 2012 also have signing date of 4 Sept 2012. This covenant is therefore Complied.
5.02	Project Financial Statements and Reports		Not Complied	As per LA clause 5.02.b, the project should submit quarterly Project Management Reports (PMR) to IFAD within 2 weeks of the end of each Q. The project has not been doing this since project inception. Subsequent IFAD missions have not insisted on this as relevant information has been provided by other reports. The project has stated that a template for the PMR also never provided by IFAD. This covenant is still Not Complied, although project is nearing completion.

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

5.03 (a)	Audit Reports	within 90 days from effectiveness	Complied	
5.03 (b)		within 6 months of end of fiscal year (Dec 31)	Complied	Audit reports were dispatched from PMU in December, but did not reach IFAD until January
5.04	Performance Audits		Partially Complied	No independent auditor was recruited for this purpose. A team composed of project staff from UP and PMU undertook this audit across the project units. I.e, staff from one UP would audit activities of another UP, and vice-versa. The procurement audit took place in PMU level only, no procurement done by UP in project. No independent auditors were appointed for this purpose. This covenant is Partially Complied in FY 2012. The draft report for FY 2012 is available in Sunamganj office.
Sch. 2 Para 2	Minimum Withdrawal Amounts		Complied	
Sch. 2 Para 3	Statements of Expenditure		Complied	This mission has agreed that funds to CO, Training Coordinator and World Fish Center are claimable as expenditures at time of transfer.
Sch. 2 Para 4	Condition precedent to withdrawal		Complied	
Sch. 3 Para 1.1	Designation and Responsibilities			LGED is the Lead Project Agency
Sch. 3 Para 6,7,8	DCC, UCC and Project Director		Complied	
Sch. 3A 1	Lease Availability			
Sch. 3A 5	Gender			
Sch. 3A 9	Insurance of Project Personnel			
Sch. 4	Procurement		Complied	Nature of infrastructure works did not allow for tendering of all types of works. Most of these were allotted to LCS (Labour Civil Societies) which form part of Credit Organizations that are parties to the Project.

**Appendix 5: Physical progress measured against AWPB and project targets**

<b>Period: 1 July 2011 to 30 June 2012 (provided by PMU)</b>				
<b>Impact and Outcomes</b>	<b>Indicators</b> (with global target if available)	<b>Achievement</b> (as per M&E data)	<b>RIMS Rating<sup>3</sup></b>	
			(by Project)	(by mission)
<b>Impact level</b>				
<b>Overall Goal:</b> Sustainable improvement in the livelihood and general quality of life of 90 000 (revised from 135000 by MTR) poor households living in haor areas in Sunamganj.	% of stunting children reduced	<i>Not determined</i>		5
	No. of HH with increased assets	<i>Not determined</i>		5
	No. of women owing increased assets	<i>Not determined</i>		5
	No. of HH with improved food security	<i>Not determined</i>		5
	No. of HH with improved source of livelihood	<i>Not determined</i>		5
	No. of HH with improved water and sanitation	<i>Not determined</i>		5
<b>Purpose (project objectives):</b> Develop grass-roots organizations to improve access for poor people to primary resources and economic opportunities.	No. of beel users receiving increased fishing income (9500 MTR)	7157(75%)	5	5
	No. of beels with increased fish production (300 MTR)	151(50%)	5	5
	No. of poor women getting increased income from fish ponds/cage fish culture (750 MTR)	284(38%)	4	4
	No. of households benefiting from improved road communications ( 93940 MTR - from command villages)	136939(146%)	6	6
	No. of CO members with savings & using credit (90000 MTR)	86737(96%)	6	6
	No. of CO members with increased agricultural and livestock production (number not defined) only from Demo & Input support of Project.	25500	5	5

<sup>3</sup> Project/SM did not provide RIMS rating as no updated RIMS data were available.

Outcome level										
<b>Component 1:</b> Infrastructure Development		Rural infrastructure schemes identified, constructed and maintained by beneficiaries on a demand-driven basis	65000 HH has got access to improved sources of water by 2595 Nos tube well installed. From labour intensive rural infrastructure activities approximately 136939 HH benefited where 495000 man days generated & directly got benefit by involving labour intensive work. During project duration almost 78500 HH received Sanitary latrine by which community people started using latrine and habituated with changing their previous traditional unhygienic open defecation. More than 1500 HH directly benefited from 9 Nos Village protection wall where people could save their house from Flood and their land property increased value by this Wall.						6	6
<b>Component 2:</b> Fisheries Development		Fisheries production programme implemented	5981 Nos. (63%) of fishermen trained adopt recommended technologies, 7157 Nos (75%) of fishermen component beneficiary households report increased income from adopting production models or technologies, 151 No. (50%) of BUGs operational after 3 years by Project-support.						5	5
<b>Component 3:</b> Agriculture and Livestock		Crops and livestock production programme implemented	77393 Nos. (97%) of farmers trained & adopt recommended technologies, 69653 nos (90%) of component beneficiary households report increased income from adopting production models or technologies, 115 nos (100%) of project-support technical support services operational after 3 years						5	5
<b>Component 4:</b> Micro-Finance		Savings and credit service programme implemented	240 nos.(8%) of CO operational after component exit/ Graduation						5	5
<b>Component 5:</b> Institutional Development		Establishment of grass-roots organizations, project management, including learning of lessons for policy and future projects	2995 CO formed and 91% of the CO already graduated. 202 BUG formed and functioning. Community based fisheries management system established to ensure access of poor people in Natural resources in project area. Block road technology & implementation by LCS adopted in rural communication Development . From the learning of the existing project Block road technology, LCS model of implementation, CBFM system and also technology in Ag. & LS are adopted for up scaling in Haor Infrastructure and Livelihood improvement Project(HILIP)						4	4
Output level										
Outputs by component		Indicator	(Physical)Target							
			AWP& B (planned)	Actual (achieved)	%	Appraisal (Global)	MTR	2 <sup>nd</sup> Revised	Cumulative (so far)	%
Infrastructure Development										
Output	1	no. of IMC formed	50	40	80	176	273	335	330	99
	2	no. of LCS formed	255	301	118	126	690	2311	1732	75
	3	no of IMC members trained	450	435	97	1584	2450	2345	2310	99
	4	no of LCS members trained	1275	3010	236	1260	7000	34665	25980	75



Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

	5	no. of group members engaged in work	112950	135450	120	NT	276000	540000	495000	179
	6	no. of male group members engaged in work	75285	81000	107	NT	150000	324000	297000	198
	7	no. of female group members engaged in work	37665	54450	144	NT	126000	216000	198000	157
	8	no. of tube-well installed	22	22	100	1258	3000	2595	2595	100
	9	no. of tube-wells tested for arsenic and found safe	NT	-	-	1258	2500	2595	2595	100
	10	no. of beneficiaries access to safe drinking water	NT	-	-	40000	450000	389250	389250	100
	11	Km of village road constructed	30	30	100	125	220	335	315	94
	12	no. of roads constructed	35	35	100	125	220	335	462	138
	13	Km of village protection wall constructed	2.25	2.25	100		4.5	4.5	2.25	50
	14	no. of MVC constructed	NT	-	-	5	53	30	29	95
	15	no. of latrine installed	NT	-	-	NT	70000	78406	78406	100
	16	no. of road maintenance undertaken	300	300	100	NT	NT	335	300	90
	17	no. of MVC maintenance undertaken	3	3	100	NT	NT	NT	5	
<b>Community Fisheries</b>										
Output	1	no. of beel development plans developed	50	50	100	600	300	300	202	67
	2	no. of beel developed/excavated	50	50	70	600	300	300	157	52
	3	Acres of beel developed/excavated	66.7	35.83	54		4000	1300	631.16	49
	4	no. of beel habitat restoration activities undertaken	50	50	70	600	300	300	157	52
	5	Acres of beel habitat restoration activities undertaken	66.7	35.83	54		4000	1300	631.16	49
	6	no. of khal excavated	18	18	100	10	33	63	39	62
	7	Km. of khal excavated	18	18	100	10	33	63	41	65
	8	no. of BUG formed	88	55	63	600	300	300	217	72
	9	no. of BUG members	2837	1587	56	19000	9500	9500	7157	75
	10	no. of women in BUG	1004	345	34	4750	2375	2375	1707	72
	11	no. of BUG with positive management ratings	79	40	51	600	300	300	153	51
	12	no. of BMC	88	55	63	600	300	300	217	72
	13	no. of beels accessed	79	40	51	600	300	300	202	67
	14	Acres of beel accessed	2107.18	1707.14	81	NT	6500	6500	4540.61	70
	15	no. of pond excavated	0	0	0	1615	150	64	64	100
	16	Acres of pond excavated	0	0	0	400	37	30.83	30.83	100
	17	no. of indigent women involved	0	0	0	8075	750	284	284	100
	18	no of ponds leased to poor women	0	0	0	1615	150	64	64	100

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

	19	p/m Technical Assistance received	14	14	100	7	120	20	18	90
	20	no. of beneficiaries received training	2714	1523	56	13320	9500	9500	5981	63
	21	no. of village promotional materials disseminated	TBM	1	0	225	450	450	314	70
	22	no. of conservation campaign undertaken	100	100	100	NT	1200	1200	1145	95
	23	no. of studies undertaken	0	0	0	0	1	1	1	100
	24	no. of studies undertaken	0	0	0	0	1	1	1	100
	25	no. of fish catch monitoring exercises conducted	1	1	100	6	9	10	8	80
	26	no. of Upazilas resource maps developed	0	0	0	10	7	9	9	100
	27	no. of studies undertaken	0	0	0	8	3	2	2	100
<b>Agriculture and Livestock</b>										
Output	1	no. of PRA conducted for problem identification	0	0	0	2	1	1	1	100
	2	no. of Research and Trial completed	5	11	220	128	128	287	111	39
	3	no. of technology/varieties selected	NT	72		NT	NT	NT	115	
	4	no. of demonstrations under taken	540	956	177	7380	7956	7544	7564	100
	5	no. of technology/varieties replicated	TBM	4		NT	NT	NT	115	
	6	no. of beneficiaries received technology/varieties	540	956	177	7380	7956	7544	7564	100
	7	no. of farmer trained (total)	3195	2470	77	33305	33500	80000	77393	97
	8	no. of women trained	2143	1623	76	16653	16750	60000	58207	97
	9	no. of farmers participating in field training	16000	3075	15	NT	NT	NT	64051	
	10	no. of farmers participated	TBM	602	0	NT	NT	NT	4431	
	11	no. of staff participated	TBM	71	0	NT	NT	NT	1877	
	12	p/m Technical Assistance received	16	13	81	6	120	30	72	240
	13	no. of activist/advance farmers developed	40	27	68	6590	1432	1432	1405	98
	14	no. of activist/advance farmers able to implement training	10	13	130	NT	358	358	358	100
	15	no. of agriculture study/KAP conducted	0	0	0	0	NT	NT	5	
	16	no. of agr. infrastructure constructed	3	9	300	0	NT	5	12	
	17	no. of vaccine campaign conducted	180	164	91	NT	883	1136	1011	98
	18	no. of livestock/poultry vaccinated	TBM	40101	0	NT	NT	NT	263307	
	19	no. of villages promotional materials disseminated	0	0	0	225	225	595	575	97
<b>Micro-Finance</b>										
Output	1	CO members accumulating savings and using credit	33725	20696	61	104423	72000	90000	86737	96

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

2	New IGA reported	TBM	0			NT	NT	NT	0	
3	CO operational ( total)	1221	1230	101	4500	3000	3000	2995	100	
4	CO operational ( female)	959	960	100	2700	1800	1800	2145	119	
5	no. CO formed	0	0		4500	3000	3000	2995	100	
6	no. male CO formed	0	0		1800	1200	1200	850	71	
7	no. female CO formed	0	0		2700	1800	1800	2145	119	
8	no. of members enrolled	0	0		135000	90000	90000	86737	96	
9	no. of male enrolled	0	0		54000	37421	36000	25194	70	
10	no. of female enrolled	0	0		81000	52579	54000	61543	114	
11	no. of members accumulated savings	33725	20696	61	121500	90000	90000	86737	96	
12	no. of male accumulated savings	7130	4288	60	48600	37421	36000	25194	70	
13	no. of female accumulated savings	26595	16409	62	72900	52579	54000	61543	114	
14	Value of total savings accumulated (in LTk.)	51.42	75.15	146	3341.25	2120	1213.81	1213.81	100	
15	Value of total savings accumulated by male (in LTk.)	20.50	9.11	44	1336.5	848	485.52	360.19	74	
16	Value of total savings accumulated by female (in LTk.)	30.92	66.03	213	2004.75	1272	728.29	853.61	117	
17	Value of loans extended from CO Fund (in LTk.)	16	61.88	387	1440	1060	1268.27	1268.27	100	
18	Value of loans extended to male from CO Fund (in LTk.)	5.33	8.45	159	576	450	379.09	379.09	100	
19	Value of loans extended to female from CO Fund (in LTk.)	10.67	53.44	501	864	610	889.19	889.19	100	
20	no. of CO receiving loans	60	23	38	4500	3000	3000	2651	88	
21	no. of male CO receiving loans	20	1	5	1800	1200	1200	747	62	
22	no. of female CO receiving loans	40	22	55	2700	1800	1800	1904	106	
23	no. of members receiving loans	300	478	159	18000	15000	15000	20506	137	
24	no. of male members receiving loans	100	63	63	7200	7000	7000	5654	81	
25	no. of female members receiving loans	200	415	208	10800	8000	8000	14852	186	
26	% of loans recovered	100	88	88	100	100	100	99	99	
27	Value of funds credited to BKB under project credit line (in LTk.)	0	0		5220.66	2709.77	914.56	914.56	100	
28	Value of loans extended from Credit Fund (in LTk.)	0	0		22754.6	5700	2270.66	2270.66	100	
29	Value of loans extended to male from Credit Fund (in LTk.)	0	0		9101.84	2280	732.24	732.24	100	
30	Value of loans extended to female from Credit Fund (in LTk.)	0	0		13652.76	3420	1538.42	1538.42	100	

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

	31	no. of CO receiving loans	0	0		4500	3000	1626	1626	100
	32	no. of male CO receiving loans	0	0		1800	1200	532	532	100
	33	no. of female CO receiving loans	0	0		2700	1800	1094	1094	100
	34	no. of members receiving loans	0	0		86423	52000	23960	23960	100
	35	no. of male receiving loans	0	0		34569.2	20800	8118	8118	100
	36	no. of female receiving loans	0	0		51853.8	31200	15842	15842	100
	37	% of loans recovered	100	24	24	100	100	100	96	96
	38	no. of beneficiaries trained	178	1321	742	121275	90000	90000	86737	96
	39	p/m of Technical Assistance received	0	0		0	24	7	7	100
	40	no. of CO auditors selected and trained	70	29	41	209	400	437	397	91
	41	no. of internal CO audit completed	976	1830	188	27410	19747	11169	10832	97
	42	no. of CO audited	976	1830	188	4500	3000	3295	3146	95
<b>Project Management</b>										
Output	1	no. of Upazilas covered	0	2		10	9	11	11	100
	2	no. of Unions covered	TBM	0		63	53	62	62	100
	3	no. of villages covered	0	0		2250	1500	1090	1090	100
	4	no. of computer procured	5	5	100			60	59	98
	5	no. of MIS & LACI software developed	0	0				1	1	100
	6	no. of office equipment/ Photocopier procured	0/4	4/4	100			NT	212/27	00
	7	no. of furniture procured	4	1	0			22	18	82
	8	no. of 4WD vehicles procured	0	0	0			4	4	100
	9	no. of speed boat procured	0	0				4	4	100
	10	no. of motorcycles procured	0	0				165	165	100
	11	no. of bicycles procured	0	0				108	108	100
	12	no. of staff received training	140	57	41			864	856	99
	13	p/m Management Consultant received	12	12	100			109	91	84
	14	no. of evaluation and project completion report received	0	0				7	5	71
	15	p/m Technical Assistance - PIM received	2	0	0			20	16	80
	16	p/m Technical Assistance - MIS received	2	0	0			12	9	75
	17	no. of participative M&E workshop arranged	1	1	100			4	3	75
	18	no. of M&E Facilitators/Enumerations recruited and trained	50	50	100			147	147	100
	19	no. of LACI performance review completed	0	0				6	2	33
	20	Manuals and project M&E system put in place	TBM	0				NT	1	
	21	no. of project staff recruited and trained	153	0				193	156	81

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

	22	no. of project office established and maintained	11	11	100			11	11	100
	23	no. of coordination committee formed	0	0				11	11	100
	24	no. of vehicles procured and CD VAT paid	0	0				4	4	100
	26	Cost Escalated	0	0					0 0	

**Note: TBM : No specific annual target; NT: No global target defined Annual planned and spent include beneficiary contribution**



### Appendix 6: RIMS Tables

#### First Level Results

Indicators by Component	Unit	Period ending: 30 June 2012			Cumulative					Sum of actual of previous years
		AWPB 2011-2012	Actual	% of AWPB	Appraisal	MTR	2 <sup>nd</sup> Revised	Actual	% of 2 <sup>nd</sup> Revised	
<b>Total Outreach - households</b>	Number	0	0	0	135000	90000	90000	125980	96	86737
<b>Total Outreach – beneficiaries (direct + indirect = #HH * 5 pers./HH)</b> <i>(revised as per IFAD instructions 2012)</i>	Number				n/a	n/a	n/a	629900	n/a	629900
<b>Rural Infrastructure</b>										
Village protection Embankment cum Roads built	Km	30	30	100	125	220	335	315	94	285
Village Protection Wall	Km	2.25	2.25	100	NT	NT	4.5	2.25	50%	0
Multipurpose Village Center (MVC) Built	Number	0	0	0	50	53	30	30	100	30
Tube-well installed	Number	0	0	0	NT	3000	2595	2595	100	2595
Latrine installed	Number	0	0	0	NT	70000	78406	78848	101	78848
<b>Community Fisheries</b>										
NRM Group formed (COs)	Number	88	55	63	600	300	300	217	72	162
Members in NRM groups enrolled - men (COs)	Number	1833	1242	68	14250	7125	7125	5450	76	4208
Members in NRM groups enrolled – women (COs)	Number	1004	345	34	4750	2375	2375	1707	72	1362
NRM groups functional (COs)	Number	300	217	72	600	300	300	217	72	162
Beels (water body) constructed/ rehabilitated	Number	50	50	100	600	300	300	157	52	107
Area of beels brought under improved management	Hectare	27	14.5	54	NT	1619.43	526.31	255.23	49	240.73
<b>Agriculture and Livestock</b>										
People trained in improved technologies and crop production- men	Number	1052	847	80	16647	16750	20000	19186	96	18339
People trained in improved technologies and crop production- women	Number	2143	1623	76	16653	16750	60000	58207	97	56584
<b>Micro-Finance</b>										
Savings and credit groups formed	Number	0	0		4500	3000	2995	2995	100	2995
Number of savings and credit groups functional	Number	1221	1221	100	4500	3000	2995	2995	100	N/A
Members in savings and credit groups	Number	0	0		54000	37421	25194	25194	100	25194

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

Indicators by Component	Unit	Period ending: 30 June 2012			Cumulative					Sum of actual of previous years
		AWPB 2011-2012	Actual	% of AWPB	<i>Appraisal</i>	MTR	2 <sup>nd</sup> Revised	Actual	% of 2 <sup>nd</sup> Revised	
enrolled - men										
Members in savings and credit groups enrolled - women	Number	0	0		81000	52579	61543	61543	100	61543
Voluntary savers functional - men	Number	7130	4288	60	48600	37421	25194	25194	100	N/A
Voluntary savers functional - women	Number	26595	16409	62	72900	52579	61543	61543	100	N/A
Value added to voluntary savings	USD*	64275	93943	146	4176563	265000	1517263	1517263	100	1423324
Value reached of voluntary savings	USD*	1478937	1517263	102	4176563	2650000	1517263	1517263	100	
Active borrowers (from credit fund) - men	Number	0	309		34569	20800	8118	8118	100	N/A
Active borrowers (from credit fund) - women	Number	0	978		51854	31200	15842	15842	100	N/A
Value of gross loan portfolio (from credit fund)	USD*	0	111736		28443249	7124999	2838336	2838336	100	N/A
Groups graduated ( <i>added</i> )	Number	1071	939	88	4500	2995	2704	2704	100	1765
Group received credit services	Number	1221	1221	100	4500	3000	2995	2995	100	N/A
Individual received project services (men)	Number	7143	7143	100	54000	37421	25194	25194	100	N/A
Individual receiver project services (women)	Number	26582	26582	100	81000	52579	61543	61543	100	N/A



### Second Level Results

Component	Outcome Indicators	Results	Rating
Rural Infrastructure	Effectiveness of rural infrastructure: % of people say get benefit from roads	100%	6
	Likelihood of sustainability of infrastructural development : infrastructure in operation 3 years after construction	100%	6
Community Fisheries	Effectiveness of improved beel management : Fish catch per hectare	720kg ( y-2010)	6
	Likelihood of sustainability of improved beel management: % of BUG rated (A)	69 (46%)	5
Agriculture and Livestock	Effectiveness of improved technologies and crop production: % of people say yields increased	90%	5
	Likelihood of sustainability of improved technology and crop production:% of people adopted technologies	90%	5
Micro-Finance	Effectiveness of savings and credit groups: average loan outstanding per member	BDT. 5582	4
	Likelihood of sustainability of savings and credit groups: % of group graduated and functional ( <i>added</i> )	90% graduated, and 8% operational	2

### Third Level Results

Indicators	Unit	Benchmark	Mid-term	Completion	Target
Malnutrition: % of children stunted ( height-for- weight < - 2sd)	%	56.7	47.9		10% reduced
Food security: % of households reporting no food shortage	%	20.0	37.2		( not determined)
Housing: % of household with tin roof	%	72.8	87.2		( not determined)
Housing: % of households with tin walls	%	14.8	25.2		( not determined)
Sanitation: % of households with own latrine	%	13.2	87.3		( not determined)
Water supply: % of households with own tubewells	%	15.6	20.0		( not determined)
Assets: % of households owning bicycle	%	4.8	10.0		( not determined)



### **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?

---

- Project management continues performing well in the past year.
  - Beels and khals excavation activities have been greatly expedited in the past year, 50 out of the 157 beels and 18 out of the 39 khals excavated were made in the period of 2011-12.
  - Construction of village protection wall was a good initiative by the project for protecting lives and properties of very poor community living in the interior area in haors.
  - The number of graduated COs increased from 1,765 in June 2011 to 2,704 in June 2012, the later accounts for 90% of the total number of COs formed.
- 

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

---

- Research/trials could not identify promising varieties of boro rice.
- 

Innovation: Describe any interesting innovation noted during supervision

---

- The project management innovatively constructed 3 submersible dams which have been highly appreciated by the beneficiaries. The dams are being used for water conservation and irrigation purposes, which are particularly effective during dry season, at the same time they have improved the communications of beneficiaries across the canal. About 1,250 households are benefiting from the dams. This is an innovation by project management for demonstrating low cost water conservation and subsequent use of scarce dry season water for beneficiary use of both irrigation and household purposes.
  - Construction of village road using cement concrete (CC) blocks is an innovation and has proved to be successful. Quality of road is not inferior to the reinforced cement concrete (RCC) roads constructed by concerned departments. However, cost for block roads is about 20% lower compared to that of RCC roads. Also, construction of block roads provided opportunities of income generation to LCS members who are the poor.
  - Sand-based mini-hatchery is another innovation started in 2011.
  - Cage fish culture is newly introduced into the project area, which may be regarded as an project innovation to certain extent.
  - The project has made good success in accessing fallow land in the haors by cultivating mustard immediately after water recede and harvest it before transplanting of boro rice.
  - Promotion of large-size jujube garden resulting in the establishment of commercial gardens. This concept is totally innovative in Sunamganj.
- 

Innovation: How might this be replicated by others, or upscaled here?

---

- Considering the overall performance of the village block roads, it has good potential for up-scaling. Actually, it has been scaled-up by other projects such as the Market Infrastructure Development Project in Charland Regions (MIDPCR) and the Haor Infrastructure and Livelihood Improvement Project (HILIP).
  - The construction of submersible dams also has potential for scaling up in places where are suitable. It can be used for water conservation and irrigation purposes, which are particularly effective during dry season, at the same time it may improve the communications of beneficiaries across big canals.
  - Cage fish culture would also be scaled-up by the Haor Infrastructure and Livelihood Improvement Project (HILIP).
  - Many project-selected crop varieties including rice BRRI 44 and 46 have been appreciated by local farmer due to their significant increase of yield. Total area has been scaled-up about 660 ha.
  - Commercial jujube garden would certainly increase in the hill sides of Sadar and Doarabazzar Upazila as it has been demonstrated successfully.
-



### Appendix 8: Audit Log

<b>Project Name:</b>		BD-567: Sunamganj Community Based Resource Management Project				
<b>SUMMARY STATUS OF AUDIT OBSERVATIONS</b>						
Financial	Audit Observations as per Audit Reports		Audit Observations Settled		Audit Observations Outstanding	
Year	Numbers	Value (BDT)	Numbers	Value (BDT)	Numbers	Value (BDT)
2002-03	5	4605667	5	4605667	0	0
2003-04	4	9213000	4	9213000	0	0
2004-05	5	40288920	5	40288920	0	0
2005-06	4	3416669	4	3416669	0	0
2006-07	6	55365998	6	55365998	0	0
2007-08	6	6119626	6	6119626	0	0
2008-09	8	11941995	8	11941995	0	0
2009-10	4	1947658	4	1947658	0	0
2010-11	4	5973003	4	5973003	0	0
Total	46	138872536	44	138872536	0	0

AUDIT OBSERVATIONS							
<b>Project Name:</b>		BD-567: Sunamganj Community Based Resource Management Project					
Serial No.	Financial Year	Class: Serious/ General	Audit Ref.	Audit Observations	Amount (BDT)	Actions taken	Status: settled, partly settled, pending
1	2002-03	Serious	Part A-1	Expenditure amounting to "Tk. 706.825 " was incurred in excess over the provision of PP.	706825	Regularize the expenditure and revise the P.P accordingly under intimation to audit. PP will be revised after MTR.	Settled
2	2002-03	General	Part A-2	Revenue loss of "Tk. 228.00" was incurred in excess over the provision of P.P	228000	The amount in question should be realized from the persons(s) responsible and deposited the same in to Govt. account under intimation to audit.	Settled
3	2002-03	General	Part B-3	Questionable expenditure of "Tk. 99.042" for repairing of (new) equipment.	99042	Reply was given to FAPAD.	Settled

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

4	2002-03	General	Part B-4	Non-compliance of procurement guide line for Consultant services involving "Tk. 24 lakh"	2400000	The matter was may be investigated by the competent.	Settled
5	2002-03	General	Part B-5	Violation of financial discipline for making excess payment of "Tk. 1170.800" from GOB fund.	1171800	The amount should be adjusted as per condition laid down in DCA.	Settled
Sub Total					4605667		
6	2003-04	Serious	Part A-1	Expenditure incurred in excess over the provision of PP "Tk. 7.64 lakh"	764000	Original budget was not reasonable. The PP will be revised after MTR.	Settled
7	2003-04	General	Part A-II	Revenue loss for non-realization of VAT and non-depositing of bank interest to Govt. A/C. "Tk. 0.92 lakh"	92000	Immediate steps should be taken to recover the VAT and deposit the VAT & accrued bank interest to the proper head of accounts under intimation of audit .	Settled
8	2003-04	General	Part A-III	Violation of financial discipline for procuring vehicle valued "Tk 47.50 lakh" through quotation.	4750000	Tender was called twice and circulated in Daily newspaper.	Settled
9	2003-04	General	Part A-IV	Violation of financial discipline for showing undisguised balance of "Tk. 36.07 lakh" as expenditure in the financial statement.	3607000	The FS was corrected showing actual expenditure and closing balance thereon under intimation to audit .	Settled
Sub Total					9213000		
10	2004-05	Serious	Part A-01	Loss of Govt. revenue Tk. 1047920.00 for not depositing accrued bank interest, realised IT/ VAT and less/ non realisation of IT from the suppliers bill.	1047920	IT & VAT and other govt. revenue collected accordingly during payment time. But the auditors of FAPAD did not accept the photocopy of Chalan. Now all the original copies are collected from district office and submitted to FAPAD for settling the objections.	Settled
11	2004-05	General	Part B-01	Non-submission of auditable records and documents involving Tk. 309.48 lakh.	30948000	Civil work payment was carried out through Executive Engineer office Sunamganj. But the auditors of FAPAD did not accept the photocopy of Bill. Now all the original copies are collected from district office and submitted to FAPAD for settling the objections.	Settled
12	2004-05	General	Part B-02	Loss of Tk. 5794000.00 for making excess payment beyond year wise provision of project proforma.	5794000	It was not actually the excess payment. It was over programing than PP Provision. The payment was made within PP & Civil work category allocation. It was explained to FAPAD.	Settled
13	2004-05	General	Part B-03	Irregular payment of Tk. 120000.00 made as advance against hose rent for office accommodation.	120000	Under a contract with Upazila parisad the rent of Taherpur Upazila SCBRMP Office was made and by this time the advance was regularized through monthly rent under provision of rent contract.	Settled
14	2004-05	General	Part B-04	Non adjustment of advances amounting to Tk. 23.79 lakh for micro finance.	2379000	Under SLA with BKB the amount was paid to BKB for running the Micro finance activity of project. More than the Advanced money was disbursed to the community. Document submitted to settle the objection.	Settled
Subtotal					40288920		
15	2005-06	General	Part-B-01	Procurement of Beel Management Beel Board and BMC signboard for Tk.323070/- was made through quotation method in out of open tendering method. But as per regulation 20 (1) of PPR -2003 and item 34 of Delegation of Financial power of Development Project ,the authority was to float open tender in the widely circulated national daily newspaper.	323070	Signboards for village protection wall multipurpose village development centers BMC, approach roads to the jalmohals as well as beels were procured under SCBRMP being implemented by LGED at Tk. 323070.00 Quotations for the signboards of 16 Beels and 15 BMCs were invited as per the requirements of Upazila on 14-11-2005. The quoted price was Tk.156 233.00. For installation of the signboards for 29 roads quotations was invited on 21-11-2006. The quoted price was Tk. 166837/- . In two quotations the amount of price was ( 156233 + 166837) = TK 323070.00. As per the provision of PPR-2003 any purchase/ procurement up to Tk. 200000/- is permissible. Accordingly, the work in question was implemented.	Settled
16	2005-06	General	Part-B-02	Revenue Loss for non-depositing accrued bank interest TK 239449/- in to Govt Account.	239449	Janata Bank, Sunamgonj Principal branch deposited Tk.239449/-of the bank interest in the SCBRMP operating A/C No STD -28 . After deduction of Tk 12864/- as service charge and source tax the rest amount of Tk. 226585 was deposited to the govt. treasury through treasury challan .	Settled
17	2005-06	General	Part-B-03	Irregular payment made to the contractor amounting Tk.862995/-against civil work with-out obtaining completion certificate . The Project authority could not produce contractors, work plan, work progress, site work book to Audit Treasury Chelan of realized road roller hire charge Tk1800 Lab test fees Tk. 259000/- total Tk.27700 could not be produced to audit.	826995	The construction work of village protection cum roads from Radha Nagar of Sunamgonj Sadar Upazilla to Lalpur Primary School was completed on 28-05-2005. The concerned Engineer certified the MB and gave the work completion certificate & The certificate was produced to the audit team from Sunamgonj Executive Engineer Office. Amount of Tk. 1500 and Tk. 25900.00 was realized against the road roller hire charge and the lab test respectively and the realized amount was deposited to the govt. treasury and The challan was produced to the audit team from the XEN Office. It should be mentioned here that audit objection for Tk. 1800 was raised against the road roller hire charge. In fact, TK. 1500 was deducted and deposited to the govt. treasury.	Settled
18	2005-06	General	Part-B-04	22 groups of work were awarded to 22 contractors at a total Tk.1791115.30. But 10% not realized form the above mentioned contractors which was violation of reg-36(2) PPR -2003.	1991155	Performance Security at 10% in the form pay order / bank draft from Pubali Bank, Sunamgonj branch was issued in favour of XEN LGED, Sunamgonj for implementation of all physical infrastructure works in different Upazillas of Sunamgonj under the project. Since the civil works are implemented by XEN LGED, Sunamgonj the performance security was realized by XEN Office and deposited to the bank. FAPAD is requested to settle the audit objection.	Settled
Subtotal					3416669		
19	2006-07	General	462/S2/FAPAD/IFAD/2006-07/185, 31.12.2007	Title : Tk. 219.11 lakh claimed for reimbursement not consistent with the PP provision. It was seen from documents related to SoE that 21910734.00 was claimed through Withdrawal Application (WA) no 18,19 22 & 24 against expenditure incurred for village protection work (Cat-1 of LA). Details are shown in Annex-B. As per cost sharing table of PP (Appendix 11 of	21910734	The reimbursement through SoE was claimed as per Loan agreement between goB & IFAD under civil work& Earth work category l(one)	Settled

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

				PP), it was papered that no RPA amount was provided for village protection work, but in this case expenditure incurred against village protection work was claimed for reimbursement through SoE under Category 1 of Loan Agreement. It was not consistent with the PP provision			
20	2006-07	General	462/S2/FAPAD/IFAD/2006-07/185, 31.12.2007	Title : Tk. 62.47 lakh spent in excess of PP provision. It was seen from Financial Statement and progress report that an amount of Tk. 314.07 lakh was spent against installation of Tube Wells up to FY 2006-2007. As per PP, Tk. 251.60 lakh was provided for that purpose. As a result Tk. 62.47 lakh (314.07-251.60 lakh) was spent in excess of PP provision. It was violation of PP provision.	6247000	The issue already adjusted in the revised pp.	Settled
21	2006-07	General	462/S2/FAPAD/IFAD/2006-07/185, 31.12.2007	Title : Procurement made through split into successive smaller packages of lower value with the intention to avoid a particular procurement method. In the Office of the Project Director, CBRMP, it was appeared from bill/vouchers that a few procurements were made through split into successive smaller packages to avoiding a particular procurement method. Details are shown in Annex-A. It as violation of (5) of Regulation 16 of PPR 2003.		As per requirement of the community organisations the document was printed time to time.	Settled
22	2006-07	General	462/S2/FAPAD/IFAD/2006-07/185, 31.12.2007	Title : Beneficiaries of the project did not get maximum benefit for less disbursement of credit fund Tk. 63.40 lakh. It was seen from Micro Credit account that initial deposit Tk. 36.60 lakh was placed to BKB (the Credit Account) on 27.12.03. As per Section 3.02 of Subsidiary Loan Agreement (SLA) made between GOB & BKB signed on 13.08.2003, an amount of Tk. 300.00 lakh was to be deposited by Project Director in the BKB's Account (STD Account) as initial deposit after completion of signing of Agreement. Further, as per 18.12 of Schedule 3 of Project Loan Agreement the Project Director should have to place Tk. 100.00 lakh to the interest bearing account with BKB. The accrued interest shall remain in the Credit Account. As a result as per Loan Agreement Tk. 63.40 lakh (100.00-36.60 lakh) was less placed to BKB's Account as initial deposit for credit programme resulting interest was less accrued in the credit program as well as less amount (Credit fun) was available for disbursement to the beneficiaries.	6340000	Due to less provision was kept in the pp for the said Fythe initial deposit was less than the L.A. But at the end of phase 1 it was adjusted.	Settled
23	2006-07	General	462/S2/FAPAD/IFAD/2006-07/185, 31.12.2007	Title : Tk. 91.30 lakh less reimbursement claimed through Withdrawal Application No. 17It appeared from SoE and related documents that local authority claimed Tk. 12231791.00 instead of Tk. 21362166.00 for reimbursement under Category no 1 on the basis of SoE. The Withdrawal Application no. was 17 date 28.08.2006. As a result Tk. 9130,375.00 was less claimed as under	9130375	Reimbursement was claimed under the provision of Loan agreement . Supporting document will supply.	Settled
24	2006-07	General	462/S2/FAPAD/IFAD/2006-07/185, 31.12.2007	Title : Exchange gain amounting to Tk. 117.38 lakh not disclosed in the Financial Statement was seen from Financial Statement that an amount 117.37889.00 was not disclosed separately as exchange gain under resources of the project during the FY 2006-2007. On detail scrutiny of Withdrawal Applications along with bank statement of Special Account it revealed that project authority claimed for replenishment adopting an artificial exchange rate. A huge amount was credited in the Special Account as exchange gain due to calculation was made by Bank at the actual rate of US\$ on the date of replenishment. Details in Annex-X. In the Mid Term Review Report of IFAD, dated April 2007, recommended for calculation of replenishment amount not adopting artificial exchange rate. It misleads the financial position of the Project for not disclosing the exchange gain separately as resources in the Financial Statement.	11737889	We will conduct a` detail study on the comments and will reflect the issue in future FS.	Settled
Subtotal					55365998		
25	2007-08	General	NO:839/S-2/ FAPAD/IFAD/ 2007-08/28Date: 31.12.2008	Financial Statement Misstated by TK 40.83 Lac While conducting audit in the office of the PD CBRMP LGED Dhaka. It was observed from Project Financial Statement of Bangladesh Krishi Bank (BKB) that as per subsidiary loan agreement between BKB and Project Authority under section 4.08 (vi) the 10% of service charge/interest earned from credit organization (CO) loan the bank will credit 6.5% in a separate interest bearing project account in BKB. Out of 10% and the project well maintain the account. But in this case project authority did not maintain any account and thus amount did not reflect financial statement. . On details scrutiny it was seen from monthly credit statement February 2007-2008 project portion interest were earned amounting to Tk. 40.83 lakh	4083000	Bangladesh Krishi Bank is requested to update the financial statement of Micro Finance (M.F) than the 6.5% amount will show the FS of project .	Settled
26	2007-08	General	NO:839/S-2/ FAPAD/IFAD/ 2007-08/28Date: 31.12.2008	Less deduction of TK. 45,141.00 as security deposit . In the office of the XEN, LGED Sunamganj, that the project authority paid an amount of Tk. 9,11,607.00 to Mr. Dipok Kanti Dey for construction of Rangamati CBRMP road to Radhanagar Village vide bill No. 06 dt. 14.08.2008. But the authority deducted S.D. money amounting to Tk. 46,000.00 instead of Tk. 91,161.00 As a result Tk. 45,141.00 (91,161,000) was less deducted from the contractor bill	45141	Less deduction of SD is mistake. It will recovered from the contractor.	Settled
27	2007-08	General	NO:839/S-2/ FAPAD/IFAD/ 2007-08/28Date: 31.12.2008	Accrued Bank interest for Tk. 14,57,756.00 was not deposited into govt. account. In the office of the Project Director Community Based Resource Management Project LGED, Dhaka and XEN, LGED Sunamganj, it was seen from respective Bank Statement that an amount of Tk. 14,30,006.00 was accrued as Bank interest. In the office of the Project Director Community Based Resource Management Project LGED, Dhaka and XEN, LGED Sunamganj, it was seen from respective Bank Statement that an amount of Tk. 14,30,006.00 was accrued as Bank interest.	1457756	Project Bank account interest amount will be deposited soon after getting the report of service charge from project operating account of concerned Janata Bank Sunamganj, BranchTK 379550. And XEN LGED, Sunamganj office TK 1078205	Settled
28	2007-08	General	NO:839/S-2/ FAPAD/IFAD/ 2007-08/28Date: 31.12.2008	Lab test fee amounting to Tk. 4,15,800.00 not deposited into Govt. account. In the office of the XEN, LGED Sunamganj, it was seen from the bill/vouchers that the local authority deducted lab test fee from the contractors bill an amount of Tk. 4,15,800.00. The same should be deposited into Govt. account .But the local authority did not produce any evidence deposit the amount into Govt. account to audit.	415800	The said amount will be deposited into Govt. account immediately.	Settled

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

29	2007-08	General	NO:839/S-2/ FAPAD/IFAD/ 2007-08/28Date, 31.12.2008	Forfeited Tender security amounting to Tk. 30,000.00 was not deposited into govt. treasury .In the office of the XEN, LGED, Sunamganj, it was seen from the tender documents, work order & file regarding construction work etc. that the local authority work awarded to M/S. Babul Purkayasta for construction of Anwarpur Badaaghat road embankment cum road vide work order No. 3368 dt. 13.12.07The contractor failed to furnished performance security within 14 days in accordance with ITT clause-32This is why the local authority cancelled his tender and forfeited tender security amounting to Tk. 30,000.00 (Vide letter No. 729 dt, 28.02.08)But the same was not deposited into Govt. account .	30000	The said amount will be deposited into Govt. account immediately.	Settled
30	2007-08	General	NO:839/S-2/ FAPAD/IFAD/ 2007-08/28Date, 31.12.2008	Loss of Govt. revenue amounting to Tk. 87,929.00 due to non-deduction of VAT and IT from the supplier bill.in the office of the Project Director Community Based Resource Management Project, LGED, Dhaka . It was observed from bill voucher and other related document that Project authority did no deduct VAT and IT from the different supplier bill amounting to Tk. 87,929.00.	87929	The said amount will be recovered and deposited into Govt. account immediately.	Settled
Sub Total					6119626		
31	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	Title :Loss of Govt. revenue amounting to Tk. 1134148/- due to non-compliance of insurance coverage Audit was conducted in the office of the Project Director "Community Based Resource Management Project (CBRMP)" during the financial year 2008-2009. Tender documents, Contract agreement, Progress report and other related records were examined. It was seen that the contractor shall provide the documents of insurance policies and certificates in the joint name of the employer and the contractor by covering the risk of loss and damages as mentioned G.C.C clause 15, section-3, General condition of contract as per CPTU PW2 STD following PPR-2008 rule 4 (3) (TA) before starts the work. But the local authority did not comply with the agreed clause of contract. Resulting a total Tk 1134148/- has sustained as revenue loss (insurance premium+premiumX15% VAT) by the Govt.	1134148	Sunamgonj is the most remotest area of the country . In this area the contractor is very Lower class . They have no ability to pay the insurance premium	Settled
32	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	Title: Liquidated damage of Tk. 950461.00 was not imposed upon the contractor for the delay in execution of work. Audit was conducted in the office of the XEN, LGED, Sunamganj under the project of the Community Based Resource Management Project (CBRMP) during the FY 2008-2009. Contract agreement, application for time extension, work-completion certificate, final bill/voucher, measurement book and other related records were examined. It was seen from the contractors application that there were no submission date, no received diary number but the concerned official recommend it to higher authority by showing 100% progress of the work. The Executive Engineer extended the time which was not within his authority. It should be approved by higher authority ie. PD. It is to be noted that XEX is empowered to extend initially 20% of total item. But in this case it was not reflected. It is a violation of G.C.C clause 5.1 section 4 & 27.1 of particular condition of contract. As a result, the contractor failed to complete the work within stipulated time and could not submit application prior to end of the stipulated time. But liquidated damages of Tk. 950461.00 were not imposed against the contractor.	950461	Sunamgonj is the most remote area .There are few contractor .Most of the time the road was under water.so working period is very short. That's why Liquidated damage was not charged.	Settled
33	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	Tender security amounting to Tk. 4,00,000.00 was not forfeited due to non-submission of performance security within time limit. Audit was conducted in the office of the XEN, LGED, Sunamganj under the project of the Community Based Resource Management Project (CBRMP) during the FY 2008-2009. Standard tender documents, Work file, Tender notice, Notification of award, Performance security, Contract agreement and other related records were examined. It was found that the project authority issued notification of award (NOA) to the contractor for submission of the performance security. But the contractors failed to provide performance security as required for condition of tender and PPR-2008. It is a violation of ITT clause 30, 31 & 32 of CPTU PW2 STD and rule 25 (Ga) of PPR-2008. As a result, due to failure of the awarded tenderer to submit the performance security within stipulated time the authority did not forfeit the tender security amounting to Tk. 4,00,000.00	4,00,000	The contractor applied for time extension and it was accepted by XEN	Settled
34	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	Audit was conducted in the office of the XEN, LGED, Sunamganj under the project of the Community Based Resource Management Project (CBRMP) during the FY 2008-2009. Standard Tender documents, Contract agreement, Work file, Paper cutting, Notification of awarded and other related records were examined. It was observed that expiry of tender validity period was on 13.01.2009 but it was not extended. It is a violation of rule 19, 20 & 21 of PPR-2008 and ITT clause 15 of CPTU PW2 STD. As a result, irregular contract was signed amounting to Tk. 1,29,75,556.00 dated on 25.06.2009 after 6 (six) month on expiry of tender validity period.	0	The contractor applied for time extension and it was accepted by XEN	Under process
35	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	Audit was conducted in the office of the Project Director" Community Based Resource Management Project (CBRMP)" during the financial year 2008-2009. Cash book, bill/voucher and other related records were examined. It was observed that project authority did not deduct VAT form the different suppliers bill amounting to Tk. 5,14,129.00.	514129	The claimed amount was recovered and deposited to GOVT account	Settled
36	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	Title: Tender evaluation, approval and contract agreement was made by violating condition of standard tender documents. Audit was conducted in the office of the XEN, LGED, Sunamganj under the project of the Community Based Resource Management Project (CBRMP) during the FY 2008-2009. Tender notice, Standard tender documents, Tender evaluation report, supporting documents, Estimate, Contract agreement and other related records were examined. It was found that one package was split into 19 lots and the name of the road was Sulla HQ. to Protabpur G.C road (ch. 400-635om); tender notice no. 4/2008-09 dt. 05.08.2009.	0	According to XEN reply it was maintained al the process properly.	Under process



Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

				<p>In this case, M/S Mobarok Hossain participated for 19 lot's and he was the only participant for all lot's where estimated cost was Tk. 2,00,72,120/- and total contract was amounting to Tk. 2,26,93,717/- . As a result Tk. 26,21,597/- was higher than estimated cost. But, there was a clause in the tender documents that a tenderer shall submit only one (1) tender for each lot (Package) either individually or as a partner in a joint venture. A tenderer who submits or participates in more than one (1) tender will cause all the tenders with that tenders participation to be rejected vide ITT clause 9.1 under section IB. Instruction of tenderers. On the other hand, the minimum amount of liquid assets shall be Tk. 5,00,000/- vide ITT clause 4.3 (b) but tenderer was submitted a bank statement amounting to Tk. 401,634/- . The said tenderer should have been rejected as non-responsive on the aforesaid reasons. But the employer made unauthorized contract agreement amounting to Tk. 2,26,93,717/- for all 19 lot's of a package with M/S Mobarok Hossain violating ITT clause 4.3 (b) &amp; 9.1</p>			
37	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	<p>Audit was conducted in the office of the XEN, LGED, Sunamganj under the project of the Community Based Resource Management Project (CBRMP) during the FY 2008-2009. Progress report, Unit cost analysis for schedule of rates, schedule of rates 4 (four) page, money receipt of lab test fee in favour of LCS Book no. 91, SL no. 5269, dt. 10.11.2009 Tk. 5500.00 (sample), MB, Contract agreement, Detailed estimate, bill/voucher and other related records were examined. It was found that payment was made amounting to Tk. 2,49,36,271/- to other different LCS for construction of road by installation of concrete block from different upazilla, district-Sunamganj. In this case, earth work in box-cutting item code no. (3.1.02) and sand filling (Item code no. 3.1.06.02) by appropriate mechanical compaction 98%. So, road roller should be used and hire charge should be deducted from LCS payment as per schedule rate. Earth work in box-cutting unit rate Tk. 8.75 and sand filling unit rate Tk. 20.00. It was included during the unit rate analysis. On the other hand, materials should be tested before use of work from local LGED laboratory quality control. In this cases 2% lab test fees was included during the unit rate analysis. So, hire-charge and lab-test fees should have been deducted from LCS payment. But the authority did not deduct it. As a result, loss of govt. revenue amounting to Tk. 9,10,660/- due to non-deduction of hire charge and lab test fees. Details were shown in Annexure-G. Mr. Sk. Md. Mohsin was the Project Director during the audit period.</p>	910660	The saying work was done by LCS . So roller charge and lab test was not deducted from bill.	Settled
38	2008-09	General	NO:877/S-2/ FAPAD/IFAD/ 2008-09/24Date, 31.12.2009	<p>Since the involved amount of each package was above 1 core. So it was a violation of 90(2) (zha) PPR-2008 also the tender should have been published in CPTU website. But in this regards each package was divided into several lots just to avoid publishing in the CPTU website. Details were shown in Annexure-H. Moreover in the ITT clause 9.1 no contractor would take part in bid more than one lot. But it was seen that in all cases single tender participated and the authority accepted it. So, it was proved that no real participation was happened. Also as per rule 8(1) &amp; (8) of PPR-2008, member from outside of the ministry was not included in TEC for two cases. As a result, contract amounting to Tk. 80,32,597/- was made in excess than the estimated cost violating PPR-2008 and condition of STD. Mr. Sk. Md. Mohsin was the Project Director during the period.</p>	8032597	In the PPR 2008 Hope can approve the work in small lot in consequence of local condition. The saying observation was pre-approved by HOPE.	Settled
<b>Sub Total</b>					<b>11941995</b>		
39	2009-10	General	No 927/FAPAD/ S-2/IFAD/2009- 10/118 Date 13.12.2010	<p>Title: Loss of Govt. revenue amounting to Tk. 1,35,993/- due to non-compliance of insurance coverage Description : Audit was conducted on the accounts of Community Based Resource Management Project (CBRMP) financed by IFAD Loan No-567-BD in the office of the Project Director, LGED Bhaban, Agargaon, Dhaka for the year 2009-2010. Contract file, GCC &amp; Particular Conditions of Contract (PCC) &amp; other related records &amp; documents were examined. Audited documents showed that the local authority awarded work to the contractor amounting to Tk. 15,76,84,796/- but the contractor did not provide the documents of insurance policies and certificates in the joint name of the employer and the contractor by covering the risk of loss and damages as mentioned in GCC clause 15, section-3 from the inception of work to the end of the defect liability period as required. Resulting a total amount of VAT amounting to Tk. 1,35,993/- was revenue loss of the Govt.</p>	135993	Sunamgonj is the most remotest area of the country . In this area the contractor is very Lower class . They have no ability to pay the insurance premium	Settled
40	2009-10	General	No 927/FAPAD/ S-2/IFAD/2009- 10/118 Date 13.12.2010	<p>Title : Loss of Govt. revenue amounting to Tk. 363851/- due to non-deduction of VAT. Description : Audit was conducted on the accounts of Community Based Resource Management Project (CBRMP) financed by IFAD Loan No-567-BD in the office of the Project Director, LGED Bhaban, Agargaon, Dhaka for the year 2009-2010 Cash book, bill/voucher and other related records were examined. Audited documents showed that the local authority paid a total amount of Tk. 46,31,806/- to different suppliers of food and snacks for entertainment in training programme &amp; to the owner of boat as hiring charge during 2009-2010. But the project authority did not deduct VAT from the suppliers bill amounting to Tk. 3,63,851/- as per NBR's SRO no. 114/law/2009/522-VAT dt. 11.06.2009 (Title no S001, service code S001. 20 &amp; Title no. S049, service code S049.00). As a result, Govt. was deprived from revenue earning</p>	363851	The claimed amount was recovered and deposited to GOVT account	Settled
41	2009-10	General	No 927/FAPAD/ S-2/IFAD/2009- 10/118 Date 13.12.2010	<p>Title: Liquidated damage amounting to Tk. 5,21,151.00 was not imposed upon contractor. Description :Audit was conducted on the accounts of Community Based Resource Management Project (CBRMP) financed by IFAD Loan No-567-BD in the office of the XEN, LGED , Sunamgonj for the year 2009-2010 Cash book, bill/voucher, contract file, related record &amp; documents were examined. Audited documents showed that the authority awarded 4 (four) work for construction of Multipurpose village center at a total contract price of Tk. 52,11,521.56</p>	521151	The contractor applied for time extension and it was accepted by XEN	Settled

Sunamganj Community Based Resource Management Project  
Supervision mission: 6-18 October 2012

				The work was scheduled to be completed within 120 to 180 days from commencement of the work. But the contractor was unable to complete the work within scheduled time. As such the contractor was liable to pay liquidated damages @ 0.10% for each day & maximum @ 10% on contract price as per GCC & liquidated damage amounting to Tk. 5,21,151.00 was to be imposed upon the contractor. But the authority did not comply with GCC. As a result Govt. was deprived from revenue earning of Tk. 5,21,151.00.			
42	2009-10	General	No 927/FAPAD/S-2/IFAD/2009-10/118 Date 13.12.2010	Title :Loss of Govt. revenue amounting to Tk. 9,26,663/- due to non-depositing of accrued Bank interest into Govt. account. Description: Audit was conducted on the accounts of Community Based Resource Management Project (CBRMP) financed by IFAD Loan No-567-BD in the office of the Project Director, LGED Bhaban, Agargoan, Dhaka for the year 2009-2010 Cash book, Bank statement and relevant records & documents were examined Audited documents showed that a total amount of Tk. 9,26,663/- was accrued as Bank interest from different STD accounts of the audited offices. As per order of the Ministry of Finance vide no g/L/ Awe/DITMktvt/3/94/453 (200, ZvwL-23.10.1994, accrued bank interest from operating account of project fund under ADP is to be deposited into Govt. Account. As a result, Govt. was deprived from revenue.	926663	The contractor applied for time extension and it was accepted by XEN	Settled
Sub Total					1947658		
43	2010-11	General	No 982/FAPAD/S-2/IFAD/2010-11/29 Date 27.12.2011	Title : Bank interest of Tk. 1091268/- not deposited into Govt. account. Audit was conducted in the office of the project Director, LGED Bhaban, Agargoan, Dhaka For the year 2010-2011.It was observed from Bank statement and relevant records that total Bank Interest amounting to Tk. 1091268/- was accrued during the year, but the same was not deposited in to Govt. A/C till the day of audit i.e. 13.10.2011.Janata Bank Ltd. Janata Bhaban Corporate Branch.STD-1057Tk. 519669/-Janata Bank Ltd. Sunamgonj (Main) Branch.STD-282Tk. 571599/- total Tk. 1091268/-	1091268	The claimed amount was recovered and deposited to GOVT account	Settled
44	2010-11	General	No 982/FAPAD/S-2/IFAD/2010-11/29 Date 27.12.2011	Title : Loss of Tk. 2873583/- due to non-realization of VAT & It from the suppliers bills. Audit was conducted in the office of the project Director, LGED Bhaban, Agargoan, Dhaka For the year 2010-2011.It was observed from bill/voucher and relevant records that total Tk. 55406223/- was p aid to different suppliers for procurement of different works materials Resulting Govt. deprived from revenue receipts amounting to Tk. 2873583/- (Tk. 1246640/- + Tk. 1626943/-).	2873583	The saying work was done by LCS . So vat and tax was not deducted from bill.	Settled
45	2010-11	General	No 982/FAPAD/S-2/IFAD/2010-11/29 Date 27.12.2011	Title : Advance paid but adjustment not done. Audit was conducted in the office of the project Director, LGED Bhaban, Agargoan, Dhaka For the year 2010-2011.It was observed from relevant records that Tk. 916884/- was paid in advance for conducting training, workshop, seminar etc. But said advance was not adjusted through actual expenditure vouchers or realized within the financial year even till the day of audit.	916884	Advance was adjusted	
46	2010-11	General	No 982/FAPAD/S-2/IFAD/2010-11/29 Date 27.12.2011	bank interest of Tk. 1091268 was not deposited into Govt acct as of date of last FY audit	1091268	amount was deposited into Govt acct on July 7, 2011. but amt was not verified by 3rd party GoB dept as required by audit law, so auditors considered amt to be not transferred. the date of verification of the deposit into Govt acct is 4 March 2012; this is several months after AR for FY 2011 was issued	settled
Subtotal					5973003		
Grand Total					138872536		

### Appendix 9: Project logframe against achievement

Narrative Summary	Variable Indicators	Target and Progress		Means of verification	Assumption	
		Project Target	Achievement (%)			
Goal	Indicators					
1. Sustainable improvement in the livelihood and general quality of life of 135 000 poor households living in <i>haor</i> areas in Sunamganj	1.1 Reduced stunting of children				Government policies and programmes and donor assistance continue to focus on the poorest and most vulnerable.	
	Household asset index:					
	1.2 No. of households with increased assets					
	1.3 No. of women owning increased assets					
	1.4 No. of hh with improved food security					
	1.5 No. of hh with improved sources of livelihoods	90000	86737 (96%)	Member profile		
1.6 No. of hh with improved water and sanitation	Water -90000 Sani -78406	Water: 77850 (87%) Sani : 78848 (101%)	Member profile/ Project performance report			
<b>Purpose (project objective)</b>						
2. Develop grass-roots organisations to improve access for poor people to primary resources and economic opportunities.	2.1 No. of beel users receiving increased fishing income	M-7125 F-2375 T-9500	M: 5450 F: 1707 T: 7157 (75%)	Beel profile	Service provision becomes more appropriate for risk-prone <i>haor</i> areas.  Synergy among government and village organisations is enhanced and institutionalised.	
	2.2 No. of beels with increased fish production	300	202	Beel profile		
	2.3 No. of poor women getting increased income from fish ponds/cage fish culture	284	284 (100%)	Project performance report		
	2.4 No. of households benefiting from improved road communications ( from command villages)	93940	115203 (123%)	Project performance Report		
	2.5 No. CO members with savings & using credit	M-36000 F-54000 T-90000	M: 25194(70%) F: 61543 (114%) T : 86737 (96%)	CO credit monitoring report		
	2.6 No. of CO members with increased agricultural and livestock production	No target	M:8880 F: 14055 Total: 22935	Project performance report		
<b>Outputs/Deliverables</b>						
3. <b>Rural Infrastructure:</b> Rural infrastructure schemes identified, constructed and maintained by beneficiaries on a demand-driven basis	3.1 Km of roads constructed and maintained	335	330 (99%)		LGED has sufficient capacity to implement projects effectively. Severe floods do not impact negatively on construction activities.	
	3.2 No. of tube-wells and other water supplies	2595	2595 (100%)	Project performance report		
	3.3 No. of CO members involved in construction ( cumulative)	M-27732 F-18488 T-46220	M: 20784 (75%) F :13856 (75%) T : 34640 (75%)	Project performance report		
	3.4 No. of latrines constructed	78406	78848 (101%)	Project performance report		
4. <b>Fisheries Development</b> Fisheries production programme implemented	4.1 No. / area of water bodies under community management	300 nos 6500 acres	202 nos. (67%) 4540.61 acres (70%)	Beel profile	Severe flooding and/or other natural disasters do not severely disrupt or change local livelihood systems. DOF, DCC and UNO office and project staff coordinate effectively	
	4.2 No. of members of beel user groups	M-7125 F-2375 T-9500	M: 5450 (76 %) F : 1707(72%) T : 7157(75%)	Project performance report		
	4.3 No. / area of leased ponds under control of poor women	64 nos 30.83 acres	64 nos. 30.83 acres	Project performance report		
5. <b>Crop and Livestock Development</b> Crop and livestock	5.1 No. of farmers with improved skills and knowledge	M-20000 F-60000 T-80000	M: 19186 (96%) F : 58207 (97) T: 77393 (97%) (See annexe: IV)	Project performance report	Effective coordination with DAE/DLS Research results are relevant to the target	

Narrative Summary	Variable Indicators	Target and Progress		Means of verification	Assumption
production programme implemented	5.2 No. of new technologies / crops / varieties introduced / disseminated	128	115 (90%)  (See annex :IV)	Project performance report	group's conditions.
<b>6. Microfinance</b> Savings and credit services component implemented	6.1 No. of COs managing credit and savings	3000	2995 (100%)	CO credit monitoring report	Market trends and fluctuations do not adversely affect economic viability of on- and off-farm activities. Project staff are properly trained and motivated.
	6.2 No. of COs with repayments rates at least 95%	3000 Savings 3000 BKB	2568 (86%) 1514 (50%)	Critical Indicator Monitoring	
	6.3 Volume of credit disbursed (LTK)	Savings- 1060 Project-5700 T: 6760	S: 1268.27 (119%) P: 2270.669 (40%) T: 3538.94 (52%)	Project performance report	
	6.4 Volume of savings (LTK)	2120.00	1138.66 (54 %)	Project performance report	
	6.5 No. of COs Graduated / exit	2995	2704 (90%)	Project performance report	
<b>7. Institutional Support</b> Establishment of grass-roots organisations, project management, including learning of lessons for policy and future projects	7.1 Project Management Unit offices operating at district and upazila levels.	11	11 (100%)		A close working relationship is established among concern institutions and grassroots people

### Appendix 10: Supervision mission schedule and persons met

#### A. Mission schedule:

06/10/2012:	Mission's assemble in Dhaka
07/10/2012:	Consultations with project PMU and security briefing
08/10/2012:	Travel to project area (Sunamganj)
9-16/10/2012:	Field visits and AM preparation
17/10/2012:	Return to Dhaka
18/10/2012:	Wrap-up meeting
19/10/2012:	Mission members return to home-base

#### B. Key persons met during mission

Name	Position and Institutions
<b>Debriefing meeting (Dhaka, 7/10/2012)</b>	
Sk. Md. Mohsin	Project Director, LGED, Dhaka
Mr. Iqbal Ahmed	Executive Engineer, LGED, Sunamganj
Md. Abdur Rashid Mia	Sr. Assistant Engineer, LGED, Sunamganj
Md. Nurul Amin	Monitoring & Evaluation Specialist, CBRMP-LGED Sunamganj
Mr. Bhudeb Chandra Roy	Senior Social Organizer, CBRMP-LGED Sunamganj
Abdul Haye Chowdhury	Fisheries Support Coordinator, CBRMP-LGED Sunamganj
Md. Shafiqur Rahman	Agriculture Support Coordinator, CBRMP-LGED Sunamganj
Mr. Raphael Tripura	Infrastructure Management Specialist, CBRMP-LGED, Dhaka
Md. Mozibur Rahman	Resource Person (Livestock), CBRMP-LGED Sunamganj
Md. Mustafizur Rahman	Personal Admin, CBRMP-LGED, Dhaka
Kazi Atiqur Rahman	Subject Matter Specialist (Socio-Economic), CBRMP-LGED Sunamganj
Mr. Smritam Khasnabish	Subject Matter Specialist (Socio-Economic), CBRMP-LGED Sunamganj
<b>Wrap-uo meeting (Dhaka, 18/10/2012)</b>	
Mr. Swapan Kumar Sarker	Director General, Local Govt. Division
Md. Wahidur Rahman	Chief Engineer, LGED
Mr. Panna Lal Chowdhury	Joint Secretary, IMED
Mr. Tomas Rath	Country Program Manager, IFAD
Mr. Qibin	Mission Leader, SM, IFAD
Mr. Tom Anyonge	Mission Member, SM, IFAD
Ms. Giriza Srinivasan	Mission Member, SM, IFAD
Dr. Md. Abdul Wahab	Mission Member, SM, IFAD
GM Hashibul Alam	Mission Member, SM, IFAD
Mr. Vishwanath Mannava	Mission Member, SM, IFAD
Dr. Md. Abdul Ghani	Mission Member, SM, IFAD
Sk. Md. Mohsin	Project Director, CBRMP, LGED
Dr. Md. Abdul Alim	Assistant Director, Department of Fisheries
Md. Anowar Hossain	Superintending Engineer, DPHE
Golam Sarwar Hawlader	Deputy Chief, ERD
Dr. Md. Mustafizur Rahman	Deputy Chief, Ministry of Agriculture
Mr. G.C Sutradhor	Director (Planning), Water Dev. Board
Md. Jahir Iqbal	A. General Manager, BKB
Md. Abdur Rakib	Deputy Chief, Ministry of Land
Mr. Ajay Kumar Roy	Chief, Department of Livestock
Md. Mashuk Miah	Deputy Secretary, Youth Ministry



**Appendix 11: Summary of implementation support provided by IFAD**

Date	Support
10-14 March 2012	An IFAD M&E technical support mission visited the project during 10-14 March 2012. The mission had discussions and consultations with senior managers and key technical officers of the project in Dhaka and in Sunamganj, while M&E training was held in Sunamganj. The mission focused on review of the RIMS, M&E and reporting arrangements, and follow-ups on issues raised by the last supervision. As a result, the project planning (AWPB), M&E and reporting have been improved.
14-20 April 2012	An IFAD consultant, Ms. Girija Srinivasan, visited the project during 14-20 April 2012 for providing implementation support to the micro-finance component. The mission focused on: <ul style="list-style-type: none"><li>a) Review of the action taken on the recommendations of the previous missions.</li><li>b) In depth review of the graduation process, overdue position and steps to be taken to conclude the graduation process.</li><li>c) Review the utilization of BKB credit line especially the idle funds.</li><li>d) Staff redeployment/phasing plan to fine-tune the exit strategy of the project.</li></ul>
23-26 April 2012	A financial management workshop was held during 14-20 April 2012 under the facilitation of IFAD, providing training on overall financial management including accounting, preparation of withdrawal applications and supporting documents, etc.





## Appendix 12: PMU proposal for use of the “idle” credit funds recovered

1. The implementation support mission of April 2012 recommended the project to make decision on utilising the idle credit funds and provided the following options:

- i. Utilise the funds for vitally needed infrastructure or other assets for the community and/ or utilise the funds for maintaining existing infrastructure created by the project. The vital needs are to be identified in a participatory manner and the works should be completed within project phase. The project can prepare a supplementary work plan/Development project proposal (DPP) and get Government approval.
- ii. Transfer the funds to the new project HILIP for utilisation towards IFAD share of the project/additional allocation of IFAD.
- iii. If none of the above options work out then MOF to prepay the loan to IFAD since the purpose for providing the credit line is not valid anymore.

2. The project has decided to use the recovered “idle” credit funds for vitally-needed infrastructure and other community assets as well as for maintaining existing infrastructure built by the project (option i). The mission consents with the proposal which is detailed as in the following Table.

Components	Sub Component	Unit	Physical quantity (km)	Unit cost (LTK)	Total cost (LTK)	Method of implementation
Labor intensive infrastructure development	1. Construction /Reconstruction/Repair of Main & Compartmental/Earth Embankment	Km	250	0.3	75.0	LCS
	2. Surface renovation of village roads	km	75	5	375.0	LCS
	6. Protection & raising of villages (VPW)	km	2	220	440.0	LCS
	14. Studies	No	1	20	20.0	Direct/EOI
	<b>Subtotal</b>				910.0	
Management	2. Other Operating Costs	LS		12% of Capital Inv.	100.1	Direct
	<b>Subtotal</b>				100.1	
<b>Grand Total</b>					<b>1,010.1</b>	