



BANGLADESH

Sunamganj Community Based Resource Management Project – BD 567

Second Phase Review Mission: 11 July - 1 August 2010

Mission Report

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Aide-mémoire

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I. Introduction

1. An IFAD mission¹ undertook a review of the second phase of the Sunamganj Community Based Resource Management Project (SCBRMP) from 11th July to 1st August 2010. The objective of the mission is to assess the implementation progress over the second phase of the project and assist in drawing up plans for the third and final phase of the project.
2. The project is being funded by IFAD using a Flexible Lending Mechanism (FLM) with the 11 year project divided into three phases – the first of 5 years and then two of three years each. The IFAD loan became effective in January 2003, and the loan agreement states that phase 1 would be implemented from January 2003 to December 2007, phase 2 from January 2008 to December 2010, and phase 3 from January 2011 to March 2014, with the loan closing in September 2014. The Government, through its PCP/PP, has approved of the project in three phases, phase 1 being FY (July-June) 2002-3 to 2006-7, phase 2 2007-8 to 2010-11 and phase 3 from 2011-12 to 2013-14 so final loan closing will be December 2014.
3. Eighteen months have elapsed since the last annual review mission in January 2009, but during this period IFAD fielded three follow-up/implementation support missions (September 2009 focusing on micro-finance, fisheries and financial management, February 2010 focusing on project management and monitoring, and March 2010 focusing on micro-finance). This phase review mission first spent a week in Sunamganj followed by meetings in Dhaka with BKB, BUET and LGED. The mission discussed progress of the project with Mr Wahidur Rahman, Chief Engineer, LGED. A team from IFAD joined the mission on 25 July and also visited Sunamganj. The mission programme is attached as Appendix 9.
4. This draft Aide-Memoire represents the findings and recommendations of the mission as discussed at a wrap-up meeting on 1st August chaired by Mr. Abdul Malek, Joint Secretary (Development), Local Government Division of the Ministry of Local Government, Rural Development and Cooperatives.
5. The mission would like to thank Sheikh Mohammed Mohsin, Project Director of SCBRMP, his staff and consultants for their assistance and participation in the work of the mission.

II. Overall Assessment of Project Implementation Progress

6. The project has made excellent progress in the last year – as well as over phase 2 as a whole. Key achievements include over 200 km of concrete village roads-cum-protection works, almost 3000 community credit organisations, and 138 public water bodies under

¹ Edward Mallorie (Mission Leader), Rownok Jahan (Gender Specialist), Md. Khalilur Rahman (Infrastructure Engineer), Niaz Ahmed Apu (Fisheries Management Specialist), Nowsher Sadar (Agriculturalist) and N. M. Sudhir (Financial Management Specialist). In its later stages the mission was joined by a team from IFAD comprising of Nigel Brett (Country Programme Manager), Abdou Bousellham (Loan Officer), and Faith Kamau (Legal Counsel). The mission was to have included Girija Srinivasan (Credit and Community Mobilization Specialist) and Dev Nathan (Poverty Specialist), but unfortunately they fell ill and were unable to participate, although they provided assisted with this Aide Memoire.

community management (with agreement from the Ministry of Land to hand over 189 water bodies – which brings the total to 212), and the introduction of rabi crops into the cropping system.

7. The project has largely reached its physical targets. As of 30 June 2010, with one year of phase 2 and three years of phase 3 remaining, 61% of the total project cost in the DPP has been spent (Tk121.6 crore out of Tk200.5 crore), and 60% of the IFAD loan of USD 25 million has been disbursed.
8. The mission was pleased to see that the major recommendations of the first phase review and more recent supervision and follow-up missions have been fully implemented (see Appendix 2), including developing and implementing an exit strategy for the micro-credit component. The mission reviewed the trigger indicators for the project to proceed from phase 2 to 3. These are: (i) agreement and implementation of a plan to ensure the sustainability of credit organisations and BUGs (or the winding up thereof if no longer required by the group); (ii) Government transfers at least 300 public waterbodies to the project (including those transferred in phase 1) before the end of phase 2; and (iii) project generates monitoring data showing initial impact of project on livelihoods and wellbeing. The project has reached benchmarks (i) and (ii) and the Project Steering Committee (including the Ministry of Land) has agreed to a list of another 88 water bodies to be handed over which will bring the total to 300. The mission has no hesitation in recommending that the project proceeds from phase 2 to phase 3.

III. Outputs and Outcomes, by Component

Component 1: Community mobilisation and micro-credit

9. Up to the end of June 2010 a total of 2968 Credit Organisations (CO) had been formed with 85,051 members, of which 2,121 COs and 60,247 members were female. Of this total, 5 COs have dropped out, and 989 COs had graduated, leaving 1,974 COs under active project management. At the time of the First Phase Review, data for the period up to September 2006 showed that a total of 823 COs had been formed with 22,385 members (58% women), so considerable progress has been made in the second phase in terms of group formation and the project target of 3,000 COs with 90,000 members has almost been reached. Further details are in Annex 1.

Agreed action:	Responsibility	Agreed date
1. The project should now cease forming more COs. The original project target has nearly been met, and the effort needed to manage group micro-finance activities is not justified considering the limited number and size of these loans and the availability of micro-finance services from MFIs.	PMU	August 2010 onwards

10. However the really significant progress has been in graduating groups. At the time of the last full supervision mission in January 2009, the graduation process had not started, but good progress has been made and to date the project has graduated one third of the total number of COs. The graduation process takes place at COs where project activities (infrastructure development, agricultural support etc.) have been completed². It involves reaching an agreement with CO members to wind up project support, a final audit of the CO accounts, repayment of any loans owing by the CO to BKB or to the CO by it CO by its members, and then distribution of the balance of CO funds to its membership. This process has been welcomed by group members, who are able to realise a substantial sum of money (up to Tk8,057, average Tk2,249) from the accumulation of their savings and a share of group profits on lending activities and other project work. A quick survey of 840 graduated groups showed that 33% continue with their group saving and lending activities. In these groups members return some or all of their graduation payment to

² The rationale behind the graduation strategy was: (i) the need for an exit strategy given the continuing need for project staff to directly support groups in carrying out micro-finance activities; (ii) general decline in performance as groups mature; (iii) difficulties in enabling groups to access significant volumes of credit from BKB (this relates to BKB being unable to adequately staff its branches in Sunamganj and difficulties experienced by the groups in accessing the limited number of BKB branches).

group funds, and new members may join while some old members drop out. In other graduated COs, members individually invest their payments in other forms of savings (such as fixed deposits with an insurance company), income generating activities or housing.

Agreed action:	Responsibility	Agreed date
2. On graduation the project should ensure that CO members understand the risks involved in continuing to operate as a savings and credit group without project support.	PMU	August 2010 onwards
3. A further survey of a sample of graduated COs should be undertaken during phase	PMU	During phase 3

11. As of 30 June 2010, net savings (amount deposited less withdrawals) of CO members was Tk50.2 million. This is a small drop from the Tk55.3 million reported for December 2008 by the last supervision mission. This decline is because the number of active COs has fallen from 2,082 to 1,974 due to graduation, and more mature COs with higher savings have graduated. The total amount disbursed in loans to CO members from savings funds reached Tk102.3 million in June 2010, with Tk20.0 million currently outstanding to 8,401 members. This is a small increase over the Tk19.3 million outstanding in December 2008. Project credit funds have been disbursed via BKB which has on-lent project funds to COs. The total cumulative amount disbursed by BKB is Tk227.1 million, of which Tk20.8 million was outstanding in June 2010 to 632 COs (compared with Tk49.5 million to 1,473 COs in December 2008).
12. Credit performance continues to be below par, with the repayment rate for loans falling due in June 2010 being 85% for loans from savings and 62% for loans from BKB. Although the project is making efforts to recover overdue funds, loan default may prevent the graduation of around half of the 307 remaining COs in the three upazilas where the project has been operating longest (Sadar, Sunamganj South and Biswambarpur). Given the problems with linking groups to BKB, the project is not attempting to provide groups in the three most recent upazilas (Dowarabazaar, Sulla and Dharmapasha) with BKB loans.
13. The project carried out an internal audit of COs in January and February 2010, with a team of PMU staff visiting 2014 COs. This audit revealed that 51% of COs able to maintain their accounts, 63% able to conduct meetings independently, 44% had meeting attendance rates of over 90%, and 91% deposited savings in their bank accounts on time. Although this data shows that there have been improvements in performance, too many COs are still not able to properly conduct their activities, with excessive levels of cash-in-hand at 39% of COs. High levels of cash-in-hand were found to be linked to CO leadership problems, poor monitoring of accounts, and delays and default in loan repayment.
14. The project will continue to follow good practices to monitor and manage the twin problems faced in COs – cash in hand and overdue loans. This includes: (i) raising member awareness on how to check cash in hand and cash at bank; and (ii) making staff aware that overdues will not be tolerated. The work of CDFs and SOs will be closely monitored with surprise checks by SUPMs, PMU staff and senior management by surprise checks.

Agreed action:	Responsibility	Agreed date
4. IFAD's Credit and Community Mobilization Specialist should visit the project to review the performance of micro-finance in more detail and make recommendations to improve performance.	IFAD & PMU	Before the end of 2010
5. PMU will step up monitoring to ensure that the twin problems of cash in hand with leaders and loan overdues are managed and reduced.	PMU	From Sept 2010

15. The project has disbursed Tk90 million to BKB in funds for on-lending, but only Tk20 million is outstanding in loans to COs, leaving Tk70 million as idle funds at BKB. At a meeting with BKB management, the Managing Director of BKB agreed that BKB would return the Tk70 million to the project so these funds can be re-allocated to other items of expenditure, and so contribute to poverty reduction in Sunamganj. In addition a proportion of interest paid by COs on loans from BKB has been deposited in a risk fund.

About Tk1.5 million is now in this fund, and could be used to offset CO loans that are considered to be non-recoverable. Another share of interest payments has been deposited into an account with BKB which was originally earmarked as a trust fund for Semi-Autonomous Body (SAB)³. This funds now amounts to about Tk5 million.

Agreed action:	Responsibility	Agreed date
6. As agreed with BKB the unused project credit funds with BKB will be returned to the project account so they can be re-allocated for another project activity.	BKB & PMU	Before the end of 2010
7. Unused funds for micro-credit (amounting to about Tk150 million that has not yet been disbursed plus the Tk70 million to be returned by BKB) should be reallocated for infrastructure development	PMU	Before June 2011
8. The funds accumulating in BKB for the proposed SAB should be utilised to provide post-project support to an apex organisation of Beel User Groups to be established during phase 3.	PMU	During phase 3

Component 2: Infrastructure Development.

16. Very good progress has been made with infrastructure development, with the annual plan for 2009-10 being largely reached. The targets for infrastructure development as revised at the first phase review have also been being almost entirely reached with one year remaining in phase 2. Details are in Table 1.

Table 1: Progress of Infrastructure Development

	Items	Indicators	Reporting year 2009-2010			Cumulative status as of 30 June 2010		
			Target	Achieved	%	Project Target	Achieved	%
1	Village protection works-cum-roads	Km	52	51	98	220	213	97
		No. roads	52	53	102	220	195	89
2	Village godowns-cum-community centres	No.	1	1	100	53	27	51
	Drinking water tubewells	No.	400	360	90	3000	2480	83
7	Latrines	No.	13510	10252	76	70000	65095	93

17. The main item of infrastructure development has been concrete village roads. The mission reviewed the quality and implementation modalities of road construction. Although the quality of these roads exceeds those of other roads in Bangladesh, some roads had some minor construction deficiencies such as compaction of the sub-base, provision of cross-drainage, quality of concrete, and shoulder earthwork. Improved monitoring and quality control is needed. The mission debated whether reinforced concrete or concrete block construction was best – and it seems that both have their own advantages and can be used in different circumstances. The engineering study being carried out by BUET may help in concluding if concrete blocks are a good way of building rural roads. A more detailed review of project infrastructure is in Annex 2.
18. It was agreed that roads constructed by Labour Contracting Societies were of better quality than those built by contractors. However these LCS were formed and managed by the project COs. CO members either did the work themselves and/or hired labour. As LCS were not directly formed by the project, it was not possible to follow LGED selection criteria with the result that many LCS participants were not as poor as in LCS formed by projects such as MIDPCR. In addition any profits from contracts accrue to the CO, whose members may or may not be the people who actually did the work. That said, the project

³ This SAB was to continue to have supported COs after the end of the project and to be self-financing from this share of interest payments. As per the GoB-IFAD Loan Agreement a review of the need for this SAB was conducted during phase 1 and it was concluded that such an agency would not be financially or institutionally feasible.

has created a significant amount of local employment (208,000 person-days, about one third being women).

Agreed action:	Responsibility	Agreed date
9. To improve quality control, more emphasis will be placed on the formation, training and supervision of community level Implementation Monitoring Committees (IMC). These will be independent from the group implementing the road contract, and may receive some remuneration from the project. In addition LGED upazila staff may provide some support and advice.	PMU	Before the end of 2010
10. Maintenance of road shoulders will be improved through engagement of women for off-pavement maintenance ('length ladies').	PMU	During phase 3
11. Additional funds will be allocated in the phase 3 budget to build more concrete roads (with cross drainage as needed). In addition some funds may be used for village godowns-cum-marketing facilities.	PMU	From July 2011
12. In the newer project upazilas, where COs have not been formed, the project will work closely with Union Parishads. UPs will be consulted on selection of roads for improvement, assist in formation of LCS and IMC, and take some responsibility for maintenance. UPs may also contribute to the cost of roads – such as by funding culverts. Working with UPs will test the approach proposed for UPs. Formation of LCS will be according to LGED guidelines with priority for women-headed households.	PMU	From July 2011

19. The mission also reviewed the provision of rural water supplies. The project, though COs, has installed a total of 2,480 tubewells. Of these, 1,208 have been tested for arsenic, with 56% of tests showing that the arsenic content of water was above safe levels. The project has provided 160 Sono-Filters which are able to remove this arsenic. At a meeting of the Project Steering Committee it was decided that all wells should be tested and filters provided for all wells with unsafe levels of arsenic. The mission discussed the issue with the Department of Public Health Engineering (DPHE), but it seems that there are no easy answers. Although Sono-Filters can work, in practice people do not maintain them well enough for them to continue to function. Deeper tubewells can tap into arsenic-free aquifers, but the upper aquifer needs to be sealed off (which is not easy) and these wells cost Tk65,000 – more than thrice the cost of normal tubewells in Sunamganj. Alternative sources of supply, such as ponds with sand filters, are also expensive and are difficult to maintain. A fundamental issue is lack of awareness - unlike in other parts of Bangladesh, symptoms of arsenic poisoning are not apparent to the population. In line with current policy, monitoring of water quality (including arsenic levels) after the end of the project will be the responsibility of DPHE while tubewell O&M will be the responsibility of COs and UPs.

Agreed action:	Responsibility	Agreed date
13. With formation of COs complete, the project should not aim to install any more tubewells at the village level.	PMU	Before the end of 2010
14. A small number of tubewells may be provided in markets and for other community facilities, but DPHE should be consulted to see if a deeper tubewell could avoid the problem of arsenic at the location.	PMU	During phase 3
15. Wells which have not yet been tested should be tested using a DPHE laboratory. Sono-filters should be provided at contaminated wells.	PMU	Before end of 2010
16. Efforts should be made to raise awareness about the dangers of arsenic. Kits may be provided for low cost field tests for all wells in villages so that people can avoid those wells that are contaminated.	PMU	From September 2010

Component 3: Community Fisheries.

20. Since it stated in 2005 the community based fisheries management component has generated significant benefits for the poor and lessons for haor fisheries management. At the end of June 2010, a total of 161 Beel User Groups (BUG) with 5,949 members had been formed. For the fish harvesting year ending in April a total of 138 beels covering 1363 ha (3367 acres) were operated by BUG with 4,564 members, of whom 21% are women. This is a substantial increase on the 62 beels with 2,629 members, with 11% women, at the time of the 2009 supervision mission. In the main joint harvest for 2009-10, a total of about 191 tons of fish worth Tk17.2 million was harvested from 110 beels,

compared with 113 tons worth Tk9.2 million from 63 beels in 2008-09. Both yield per acre and price per kg increased. More information is in Annexes 3 and 4.

21. An internal audit of 66 BUGs was carried out in October 2009. This revealed satisfactory attendance at meetings (average 93%, with 23 BUGs able to conduct meetings independently), good record keeping (21 BUG are fully able to maintain their own accounts and 40 partially), increased participation by women (now 22% of BUG members), by-laws introduced by 58 BUGs to manage fishing were being followed, and 51 BUGs were rotating their leadership by holding elections through secret ballot. The audit graded 21% of BUGs as „A“ (down from 24% last year), 68% as „B“ (up from 41%) and 11% as „C“ (down from 16%). The decline in A grade BUGs is attributed to poor performance in beel conservation.

Agreed action:	Responsibility	Agreed date
17. Attention should be paid to improved management and conservation measures in beels with poorly-performing BUGs.	PMU fisheries section	By June 2011

22. Beel hand over process In 2009 the Government announced a New Fisheries Management Policy for leasing of public water bodies which provides for leasing at a nominal cost to genuine fisher organisations. The Ministry of Youth and Sports is no longer involved in leasing of the smaller waterbodies. Arguing that the Project meets the requirements of the New Fisheries Management Policy, the project successfully lobbied the Ministry of Land to formalise the handover of existing waterbodies and to agree handover an additional waterbodies to make a total of 212 for phases 1 and 2 of 212. Following a very successful visit in January 2010 by the State Minister of Land, Advocate Mostafizur Rahman, MP, along with the local MP, Mr Moazzem Hossain Raton, the Upazila Chairman, Vice-Chairman and UNO of Jamalganj upazila, an MoU was signed between the Local Government Division (LGD) of MLGRD&C and MoL. The MoU mentions that the DC Sunamganj will, on behalf of MoL, handover the waterbodies to SCBRMP which will implement project activities on behalf of LGD.

23. The Project will end in March 2014. It normally would take at least three years for a BUG to establish its control over the leased beel, and to set up a sustainable management system. This implies that the project should not accept any beels where actual physical handover is delayed beyond March 2011. However LGED and IFAD are preparing a new project (Hoar Infrastructure and Livelihood Improvement Project - HILIP) for the haor basin, so the above requirement may be modified if this new project is on course. The design of the new project (HILIP), should make it clear, and GoB should agree, that the SCBRMP beels would be supported by the new project. In this case, the handover of beels could continue until the end of the SCBRMP.

Agreed action:	Responsibility	Agreed date
18. The PD should authorise the LGED Executive Engineer or Upazila Engineers for Sunamganj to receive the handed over beels from the DC. This should avoid any dispute after the end of the project.	PMU	Before the end of 2010
19. In a few of the project waterbodies the entire area has not been handed over, with some very productive patches still leased out with the original vested groups benefiting from the resulting income. The project should identify these areas and, with the help of the District Administration and MoL, include these areas in the waterbody under community management.	PMU with assistance from MoL and local administration.	September 2010
20. All beels under SCBRMP will be taken over by the new haor-area project, HILIP	IFAD and GoB	By June 2011

24. Supporting women BUG members Although the proportion of women BUG members has doubled in the last year, the effective participation of women in fisheries activities is still very low. Winter vegetable cultivation in adjacent areas to beels, swamp tree plantation and fish sorting have been considered as women work. Apart from vegetable cultivation, women's participation in other activities has been very low. The First Phase Review (FPR) suggested taking up „fish culture in cages“ for women on pilot basis. But due to various complications in securing the handover of waterbodies of the 2nd phase it was not

possible to pay attention to this recommendation. However, the project has now decided to make a detailed plan to pilot „fish culture in cages“.

Agreed action:	Responsibility	Agreed date
21. Cage culture pilot should be carried out. For this some additional technical support should be sought – such as from WFC, CARE or by recruiting a Fisheries Consultant, with a fisheries science background and experience in cage culture.	PMU, Fisheries Section	By June 2011

Component 4: Agriculture and Livestock

25. The project has continued its agricultural activities, carrying out 1467 demonstrations and 288 field days in 2009-10. 12,954 farmers have been trained. Adaptive research in partnership with BRRI and BARI has covered boro, aman, ground-nuts and sweet potatoes. This has produced some useful results, especially for shorter duration aman that can be planted on higher land once floods subside. However the short duration boro varieties have not been accepted by farmers, having lower yield and being prone to shattering. There is a need for a cold-tolerant variety that can be transplanted earlier. The project has also, with advice from BLRI, tested three types of fodder crop. The project has been successful in promoting production of rabi crops such as mustard, wheat and potato, that can be grown after floods subside but before boro is planted. In 2009-10 the project provided 353 farmers with seed to grow these crops on 283 acres, but a larger area is now grown by farmers using their own seed.
26. Livestock development in 2009-10 included the provision of 15 bulls of improved breeds, which have sired at least 124 calves. One CDF has been trained as an inseminator and an AI centre has been established. In 8 months this has resulted in 96 crossbred calves. A total of 177 livestock vaccination campaigns were supported in partnership with DLS. The project has also promoted improved crossbred chickens (Sonali) but the efforts seem rather scattered (in one upazila only 23 women each received 10 birds) and a sustainable supply chain to maintain the cross-breed and provide complementary services such a vaccination has not been established. A more detailed review of the project's agricultural development activities is in Annex 5.

Agreed action:	Responsibility	Agreed date
22. The project should continue with seed support for rabi crops and with adaptive research that aims to find solutions to problems that have been identified in Sunamganj.	PMU, Agriculture Section	From August 2010
23. To make better use of project staff, development of crops and livestock should be more focused on specific products with a comprehensive approach to address all constraints	PMU, Agriculture Section	From end of 2010
24. To ensure sustainability of livestock development, the project should avoid providing free animals and birds as demonstrations, but rather establish viable businesses to support producers – such as poultry vaccinators, para-vets, mini-hatcheries and buck stations. More detailed suggestions will be in the main mission report	PMU, Agriculture Section	From end of 2010
25. Such sub-sector development has been successful in some programmes supported by IFAD and other agencies. The management, staff and beneficiaries of SCBRMP would benefit from exposure visits to these initiatives.	PMU, Agriculture Section	From September 2011 onwards
26. To help develop sustainable livestock enterprises the project would benefit from a short input from an experienced livestock consultant.	PMU	Before June 2011

IV. Project Implementation Performance

Project management performance.

27. In the second phase of the project, and in the last 18 months in particular, the management of SCBRMP has done an excellent job in reaching a number of ambitious targets while making a number of important innovations. With the completion of most infrastructure development and graduation of COs, there is a need to re-organise staff to focus on areas where the workload is increasing - in particular community fisheries. The project has held a consultative workshop with its staff, and drawn up a plan for staffing during the remainder of the project period. This plan should result in a reduction in the overall number of staff (including consultants and junior field staff).

Agreed action:	Responsibility	Agreed date
27. Project staffing needs further review in the light of plans for phase 3. Although there will be increased work in supporting a larger number of beels, the more mature BUGs should be increasingly able to manage their own affairs.	PMU,	By June 2011
28. Project staff face considerable risks in fisheries management, especially during the main harvest time. Therefore all staff should be properly insured.	PMU	By end of 2010
29. Staff salaries will need to be revised in the light of new government pay scales.	PMU	July 2011
30. Project budgets need to be revised for phase 3. An agreed revision is attached to this report as Annex IX. The DPP and the allocation of funds in the IFAD-GoB Loan Agreement also needs to be revised as per the last table in Annex IX.	PMU, IFAD, MLGRD&C, ERD	End of 2010

Monitoring and evaluation

28. Over the last year significant progress has been made in M&E. The WorldFish Center (WFC), has now produced a third year of monitoring reports on fish catches and bio-diversity, and second round of BUG livelihood monitoring. It also carried out two studies for the project: (i) impact on livelihoods of CO members; and (ii) fish market assessment. Fisheries staff in the PMU have now generated three years of comprehensive data on beels and BUG performance, while agricultural staff have carried out a survey on the production of rabi crops. As part of implementation support in February this year, IFAD helped draw up a plan for a quick impact survey of project roads. The project then collected and tabulated the data, which was analysed by the current mission with help from the PMU (see Annex VI). The project continues to gather comprehensive data on COs and their micro-finance activities, and generates monthly reports on performance that highlights critical indicators. A survey was carried out covering 640 graduated COs to find out how they were continuing to function following graduation. The project also completed detailed audits of both COs and BUGs in the current year.
29. Project reporting has also much improved, with a draft annual report for 2009-10 being available at the start of the mission (only 7 days after the year-end) along with key project data. The project has also completed its RIMS table for 2009-10 including level 2 ratings. The mission has further developed this table (see Appendix 6). A second round of the RIMS anchor indicator survey has been carried out by a consulting firm.
30. The project has purchased specialist software from Dhan Foundation for monitoring of micro-finance. Dhan have been working with the PMU to adapt the software for SCBRMP, but some more work is needed. This process is proving lengthy – the software was purchased in November 2008 following a recommendation by the May 2007 follow-up mission, and with hindsight, the effort involved may not be justified given the limited period left for the project. However such a web-based MIS may well be useful in future projects to record progress at the household and group level. In the meantime the spreadsheet-based system developed by the follow-up mission of May 2007 is working well (within its limitations) and generating useful monthly indicators of micro-finance performance.

Agreed action:	Responsibility	Agreed date
31. IFAD should continue to provide M&E support – in particular to carry out further analysis of M&E data already collected on fisheries and to assist with planning of future projects.	IFAD	From August 2010 onwards
32. The contract with WFC should be continued up to the end of the third phase of the project in March 2014.	PMU, WFC	From July 2011
33. The final mission report will include detailed recommendations for M&E in phase 3, including further studies of the impact of fisheries, roads and annual outcome studies for CO members.	IFAD	August 2010
34. Installation of the Dhan software should be completed. IFAD's micro-finance specialist should then review the functionality of the completed software.	IFAD, PMU	September 2010

Gender focus.

31. The initial project gender mainstreaming strategy was to include women in all non-fishing project components in at least equal proportions. Later it was decided to also include women for certain tasks in the fishing groups and for them to make up 25% of BUG

membership. Overall these quantitative targets have been met, with 71% of overall project beneficiaries, and 22% of BUG members, being women (see Table 2). But it should be noted that women play only subsidiary roles in BUG activities, such as vegetable growing on dikes, tree planting and fish sorting. Of note, however, is the high representation of women in LCS road construction. This is a new and innovative activity which has brought women into a category of skilled work from which they are usually excluded. Overall, there are reported to be substantial benefits from the improved road infrastructure, with higher mobility and improved access for women and girls to markets, health and educational facilities. Some women have acquired assets, including land, in their own names. In addition campaigns and training on women's rights have made many project beneficiaries more aware of these issues. The mission's gender impact analysis is in Annex VII.

Agreed action:	Responsibility	Agreed date
35. Gender mainstreaming should now focus on increasing women's involvement in BUGs and improving their productivity in other economic activities.	PMU	From Sept 2010 onwards
36. Documentation of gender impacts of various project activities, e.g. roads, should be systematized	PMU	From Sept 2010 onwards

Table 3: Inclusion of women in project activities

Activity		Indicators	Achievement to June 2010			Split female: male
			Female	Male	Total	
Interest groups formation		No. of groups formed	2121	847	2968	72:28
Member enrolment		Members enrolled	60247	24804	85051	71:29
Savings mobilization		No. of members accumulated savings	60247	24804	85051	71:29
		Value of total savings accumulated (in Lk,Tk.)	632.56	319.87	952.33	66:34
Loans received by group members	From savings fund	No. of members received loans	11549	5109	16657	69:31
		Value of loans given to member (in Lk.Tk.)	681.47	341.76	1023.23	67:33
	From project fund	No. of members received loans	15842	8118	23960	66:34
		Value of loans given to member (in Lk,Tk.)	1538.33	732.24	2270.57	68 :32
Training provided to LCS members		No. of LCS members trained	5129	3780	8909	58 : 42
Training provided to Infrastructure Implementation Monitoring Committees (IMC)		No. of IMC members trained	1488	955	2443	61 : 39
Road maintenance by length-persons		No. of Length persons	277	0	277	100 : 00
Rural poor engaged/worked in labour intensive construction work		No. of person-days of employment	69466	138933	207919	33 : 67
Access to beel resource		No. of members accessing	1335	4614	5949	22 : 78
Pond aquaculture		No. of members involved	283	0	283	100 : 00
Training provided to group members	Micro-credit management	No. of members received training	21315	9448	30763	69 : 31
	Fisheries management	No. of members received training	1909	9140	11049	17 : 83
	Technology dissemination	No. of members received training	45494	15546	61040	75 : 25

Poverty focus.

32. The haor area of Sunamganj ranks as one of the poorest regions of Bangladesh. The project has focused on poverty by providing: (i) economic opportunities by access to markets and service facilities through improved road communications; (ii) access to financial services for the poor, particularly women; (iii) access of the poor to fishing water; and (iv) increased agricultural productivity through increased crop yields, agricultural diversification and use of former fallow lands. In taking up these activities, the poor have been very substantially involved in managing water resources. Poor women and men undertook construction of cement block roads through the LCS system. The COs, with project support, have built substantially self-managed micro-finance groups; many have now graduated to continue on their own, without project support. The poor have

taken advantage of increased economic opportunities to increase in production of vegetables and other products for the market.

Effectiveness of targeting approach.

33. The project used poverty (less than 2.5 acres of land) and gender criteria for targeting members of COs, BUGs and LCSs. The mission checked the targetting performance of the project against appraisal targets, and found that from a random sample of 375 CO members, only 35 owned more than 2.5 acres (ie. 9%). This means that the project has performed very well in sticking to the intended target group. LCS and BUG members are similarly poor. The only exception is with regard to large beels, where BUG members often included some non-poor but experienced fishermen, linked to former lease-hold systems. The project found it difficult to attempt to form BUGs in the large beels without these persons, who dominated the fisher groups in those areas. But, at the same time, reports do show that ordinary members in these BUGs did benefit from the project leasing and management system with increased income, though possibly not as much as could otherwise have been achieved.

Table 3: Coverage of target population

Target Group “category”	Total number of people to be reached (Appraisal Targets)	Number of people reached so far (cumulative)	
		Total number	Of which, women
<i>Poor households with improved livelihoods and micro-finance services</i>	<i>90,000 CO members, 50% women</i>	<i>85,051 (95%)</i>	<i>60,247 (115% of target)</i>
<i>Fishers (beel users) with increased fishing income</i>	<i>9,500 – target of 25% being women in FPR</i>	<i>5,949 (62%)</i>	<i>1335 (56% of target in FPR)</i>
<i>Households benefiting from improved communication</i>	<i>93,940</i>	<i>82,561 (580 villages) (88%)</i>	<i>NA</i>
<i>Poor households benefiting from sanitary latrines and improved water supply</i>	<i>70,000 (latrines)</i>	<i>63,095 (93%)</i>	<i>NA</i>
	<i>90,000 (water)</i>	<i>74,400 (83%)</i>	

34. With regard to building of roads and provision of sanitary latrines and drinking water tube -wells, these facilities were linked to the COs and thus automatically targeted the poor. Even in the case of village access roads, since COs were involved in both the choice of roads and their construction, it was possible to make sure that poor communities were reached by these roads.
35. The above table shows that the fisheries component has yet to reach its targets for outreach. A number of beels have not yet been transferred to community management. Along with securing these transfers and setting up a community-based management system, it is necessary to pay attention to improving productivity, which is also linked with adequate conservation measures, for the beels as a whole and for women" s activities within and around the beels.

Knowledge management.

36. Since the 2009 supervision mission the project has generated and shared a significant amount of knowledge. The process of CO graduation is generating significant lessons for both project design and implementation, which will be useful for other programmes both within and outside Bangladesh. The project has produced documents on this process. Results from community fisheries management were disseminated during the visit of the State Minister of Land which was covered by newspapers and TV. WFC is preparing a book on hoar fisheries along with an academic paper.
37. Project participated and presented paper on “construction of village roads by villagers” in an international workshop in Bangkok organised by Asian Institute of Technology (AIT) and International Forum for Rural Transport and Development (IFRTD). The project participated in an event organised by LGED to celebrate the 100th anniversary of International Women"s Day and also produced an associated booklet with stories of

women participants in SCBRMP. Case studies from the project have also featured in IFAD Bangladesh newsletters. An updated project brochure was produced in January 2010.

38. Prior to the start of the mission, the mission Fisheries Specialist, along with project fisheries staff, undertook a study of the history of hoar fisheries management. This study (which is attached as Annex IV) has generated considerable interest in how systems are changing and the opportunities this presents for community management.

Agreed action	Responsibility	Agreed date
37. IFAD's Credit and Community Mobilization Specialist, who was unable to join this mission, should visit the project to assist in documenting the lessons from the process of graduation of COs.	IFAD & PMU	Before the end of 2010
38. To disseminate experiences and lessons from the project to policy makers and development partners, the project should organise one or more national workshops. IFAD may participate in this event.	PMU, IFAD	Before end of project
39. WFC should prepare one or more brochures with the results and lessons from SCBRMP fishery initiatives.	WFC	By Dec. 2011

Partnerships

39. As already mentioned, the project facilitated an MoU with MoL regarding the handover of 300 waterbodies for management by BUGs. The project has a number of other partnerships, but these pre-date last-year's supervision mission.

V. Fiduciary Aspects

40. **Financial management.** The increased volume of expenditure is stretching the capacity of the project's limited number of finance staff. The mission identified a number of weaknesses in financial management such as amounts in project banks accounts in Dhaka and Sunamganj not being fully reconciled (although the amount of information on transactions has improved). Advance payments (such as for training and LCS works) are not being monitored against physical progress, and measuring project progress in terms of expenditure may overstate physical achievements. The fixed asset management of the project has improved since last year, but the fixed asset register needs to be tallied with the value of assets in project accounts. Further details are in Annex VIII.

Disbursement.

41. Overall Loan Disbursement: as of 30 June 2010, the cumulative disbursement by IFAD against the approved amount of USD 24,942 million stood at USD 15,511 million (62%). The Government of Bangladesh has met 63.8% of its overall commitment to the project. Beneficiary contributions stood at 36.8% of the approved amount. See Appendix 3.
42. Expenditure by Component: as of 30 June 2010, total expenditure for all components was 62% of amounts in the Appraisal Report. The expenditure against Component 1 (Infrastructure Development) was highest at 96%, and expenditure against Component 4 (Microfinance) was lowest at 37%. See Appendix 3.
43. IFAD Disbursement against loan categories: as of 30 June 2010, the cumulative loan disbursement stood at SDR 10.56 million, the pending WA was SDR 0.76 million and the balance remaining in the loan was SDR 6.23 Million. The disbursement was highest against Category I (Earth & Civil Works) 97% and was 39% against Category V Credit.
44. **Counterpart funds.** Counterpart funding requirement by the Government of Bangladesh is set out in Clause 3.05 (b) of the PLA. Which states that counterpart funding of USD 4.46 million shall be allocated by GoB over the life of the project. The Mission verified that GoB has met these counterpart funding requirements relative to the progress of the project. Moreover, Government has been substantially providing its entire commitment as per approved AWPBs for each fiscal year.
45. **Compliance with loan covenants.** Major loan covenants have been generally complied with by the Borrower. However, the project has not fully complied with Section 2.04,

which stipulates that loan proceeds must not be used for payment of taxes (see below), and Section 3.07 regarding procurement (see below). Details are in Appendix 4.

46. **Procurement.** The PLA requires that all Procurement transactions are undertaken as per Schedule 4. Schedule 4 requires adherence to national guidelines to the extent they are in line with IFAD's Procurement Guidelines. In case of conflict between the provisions of the PPR 2008 and IFAD's Procurement Guidelines, provisions of the latter shall prevail. The mission notes that it has been difficult for the project to comply with the requirement not to split works into small packages (and so appear to avoid the more elaborate documentation required for IFAD for transactions of over USD 20,000). At the same time it has been difficult to attract more than a single bidder for some tenders (and some tenders have elicited no bids at all). This is because larger (and more competent) contractors are unwilling to work in the difficult environment of Sunamganj so works have to be split into small contracts to be within the capacity of very small local contractors. Even where contracts are awarded, there can be delays of up to 5 to 6 months because the successful bidder cannot arrange a performance guarantee. The project has also had problems in monitoring the sinking of tubewells and installation of latrines by COs who fail to keep adequate records of this work.

Review of Special Account and other Project Accounts

47. The Mission reviewed WA 61 dated 20/7/10 for USD 651,747 and observed that:
- the application was properly prepared and signed;
 - funding percentages were determined properly as laid down in Schedule 2 of the PLA;
 - the FE rate adopted was the rate at which the previous transfer was made from SAFE account to Project Account; however
 - the SPA Reconciliation Statement had several errors with accounts not properly reconciled, and amounts pending against previous WAs and drawings from the Special Account not fully recorded.
48. The Project has claimed VAT and Income Tax as part of eligible expenditure on all civil works undertaken by contractors from the start of the Project. According to a bill by bill calculation by the Project, the amount which has been wrongly claimed and reimbursed by IFAD amounts to approximately USD 500,000. These taxes escaped attention in the past because they were part of the rates quoted by contractors against BOQ items. The Project has also been claiming taxes under other loan categories such as payments for consultants from Cat IV, and VAT on training materials.
49. The IFAD loan balance on 30 June 2010 in project records was reconciled with the corresponding figure as per IFAD records.
50. The PMU expressed satisfaction with the performance of the IFAD finance department in speedy processing of withdrawal applications
51. **Audit.** The FAPAD audit of the project for the year ended 30-6-09, as required by the PLA, included separate opinions on certified SoEs, the Special Account and the Project Financial Statements. The audit report and PFS were rejected by IFAD's Internal Audit Department as the PFS were not in the standard reporting formats prescribed by IFAD and detailed notes to accounts were not furnished. The audit log is in Appendix 8.
52. The Auditor's Management Letter mainly focused on violations of the PPR 2008, but the auditors have not responded to the replies and explanations provided by project management. However the auditors reported that all previous audit observations, other than one issue relating to 2007-8, have been effectively addressed by the Project.

Agreed action	Responsibility	Agreed date
40. The project would benefit from improving its financial management and monitoring. To achieve this, it was agreed that the project consider recruiting more senior and qualified accounts staff and, in addition, IFAD will assist in providing hands-on training from a number of inputs by an IFAD procurement and financial specialist	PMU IFAD	From September 2010

Agreed action	Responsibility	Agreed date
41. Problems in tendering of civil works should no longer occur as it is planned that all future civil works be undertaken by LCS. There are also to be no further tubewells and latrines installed by COs. However there is a need to improve the financial monitoring of LCS contracts, and useful lessons may be learned from MIDPCR.	PMU	December 2010
42. The amount of about USD 500,000 in taxes, that has been wrongly claimed by the project and disbursed by IFAD, should be compensated by civil works of this value being 100% funded by the government. The revision of the DPP needs to make provision of this. Care is needed by both the project and IFAD that future WAs do not include amounts that are taxes. In the opinion of the mission, IFAD senior management should reconsider its position regarding payment of taxes, and make an amendment to the General Conditions at the earliest opportunity, so that IFAD is more in line with other donors in Bangladesh such as the World Bank.	PMU IFAD	From September 2011

VI. Sustainability

53. **Institutional sustainability.** The project has been building sustainable community organisations – COs and BUGs. The graduation programme of COs enabling the less sustainable organisations to be wound up while locking in benefits to their members, who get a capital sum for re-investment. There is still some way to go in building sustainable BUGs- with only 21% being rated as „A“ grade.
54. **Social sustainability (Empowerment).** Women and the poor have made substantial gains, and with improved skills, access to resources and economic roles, these should be sustained. However continuing population growth and limited natural resources will place increasing pressure on resources, and experience shows that this can create a new class of poor people unless economic growth can create sufficient opportunities in the wider economy.
55. **Economic and financial sustainability.** Data on BUGs shows that BUGs are able to cover all their costs, including payment of lease fees to the government. The agricultural and livestock technologies promoted by the project are profitable for farmers and so sustainable.
56. **Technical sustainability.** The use of concrete rather than earth, brick and/or bitumen for road construction results in roads that are more able to withstand the flooding environment of the hoar basin. Moreover, concrete block roads can be easily and cheaply rebuilt if they are damaged by water erosion in vulnerable locations.
57. **Environmental sustainability.** Improved management of beels, with less dewatering, establishment of sanctuaries, and managed fishing, has had a positive impact on biodiversity.
58. **Exit strategy** is based on graduated all COs by the end of the project. To date, with four years still to go, one third of COs have graduated. BUGs are still some way from graduating, and it is proposed that support is continued to a future project, HILIP, which is now being planned. In addition a support network is needed for BUGs. By the end of 2010, project will initiate community management in 212 beels, and this will increase to 300 within another two years. This is about 23% of the beels in Sunamgonj district. To manage such a large number of beels, networking among BUGs will play a vital role in resolving internal and external issues. In addition the project needs to develop a graduation and exit strategy for BUGs. WorldFish Center (WFC) has some useful experience in this area, having set up such organisations during the CBFM-SSEA project.

Agreed action:	Responsibility	Agreed date
43. A dialog should be initiated at BUG level immediately to form upazila level federations. At least 4 upazila federations should be formed and a draft of Federation Bye-laws should be developed by March 2011.	PMU	By April 2011

VII. Impact

59. **Physical and financial assets.** Table 4 shows how housing, water and sanitation have improved for CO and BUG members. Table 5 shows the increase in household assets for CO members.

Table 4: Housing, water and sanitation

		CO survey		BUG survey	
Attribute		2002-4	2009	2008	2010
Housing (% of houses)	With tin walls	14.8%	25.2%	9.6%	12.8%
	With tin roof	72.8%	87.2%	77.6%	85.9%
Water supply (% of HH)	Own tube well	15.6%	20.0%		
Sanitation (% of HH)	Water sealed or pucca latrine	13.2%	87.3%	77.6%	85.9%

Table 5: Increase in assets of CO members

		2002-4	2009
Percentage of households owning assets	Rickshaw/Van	2.0%	3.2%
	Bicycle	4.8%	10.0%
	Furniture	30.4%	37.6%
	Boat	15.2%	22.0%
	Electric Goods	6.8%	13.6%
	Gold	38.4%	43.6%
	Livestock	24.8%	28.8%
	Poultry	43.2%	47.6%

60. Project participants have increased their savings, which now amount to a total of Tk51.2 million for members of COs (excluding those in graduated COs). The audit of 66 BUGs found the each BUG had an average of Tk34,600 in bank balances and cash.
61. **Food security** The CO and BUG impact surveys show an increasing proportion of households report no food shortages (Table 6). In the recent survey of the impact of roads, 90% of respondents reported increases quantity and improved quality of food. The RIMS anchor indicator survey also shows a reduced incidence of chronic malnutrition in children aged under 5 years, although acute malnutrition was unchanged.

Table 6: Household food shortages

	CO survey		BUG survey	
	2002-4	2009	2008	2010
Percent of households reporting no food shortage	20.0	37.2	22.4	37.6

Table 7: RIMS survey – child malnutrition indicators

Percentage of children	2006	2010
Chronic malnutrition (height-for-age < -2SD)	56.7	47.9
Acute malnutrition (weight-for-height < -2SD)	15.3	15.4
Underweight (weight-for-age < -2SD)	58.6	54.6

62. **Increase in incomes.** The CO and BUG impact surveys show significant increased in households income (Table 8). In the survey of the impact of roads, 98% of respondents said that the road had resulted in increased household income.

Table 8: Household income

	CO survey		BUG survey	
	2002-4	2009	2008	2010
Household income Tk/month	4118	6892	5107	6940

63. Data from beel monitoring shows that more BUGs members at more beels are earning more from both a share of BUG profits and wages paid during the main fishing season. In addition fishers earn between one and three times as much from individual fishing in the beel outside of the main (joint) fishing season (and they also fish in other water bodies.

Table 9: Income from community fisheries

		2007-08	2008-09	2009-10
Number of beels with main fish harvest		54	63	110
Profit distribution	No. BUG members receiving	1,399	1,891	2,994
	Average Taka per member	1,510	1,870	2,050
Wages for fishing	No. of BUG members employed	926	1,018	1,619
	Average Taka wages paid	834	2,007	2,611

64. **Policy impact.** Potential policy impacts include: (i) road construction (concrete blocks to become a standard design option for rural roads); (ii) fisheries (LGED to have a recognised role in community fisheries management); and (iii) micro-finance (the requirement for a fully sustainable institutional model and exit strategy). The interest shown by BUET in concrete block roads (which are the subject of a number of student dissertations) is an important first step in recognition of this technology. Dissemination of results and lessons via knowledge management activities will also contribute.

Appendix 1: SUMMARY OF PROJECT STATUS AND RATINGS

Basic Facts

Country	Bangladesh			Project ID	1165	Loan/Grant No.	567
Project	Sunamganj Community-Based Resource Management Project					Supp. Loan/Grant	
Date of Update	31-Jul-2010					Financing terms	HC
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	7	No. of Implementation Support/Follow-up missions	9				
Last Supervision	July 2010	Last Implementation Support/Follow-up mission	25-Mar-2010				

					USD million	Disb. rate %
Approval	12-Sep-2001			Total costs	26.74	
Agreement	14-Nov-2001	Effectiveness lag	16.3	IFAD Total	21.97	
Effectiveness	14-Jan-2003	PAR value	-----	IFAD loan	21.97	60%
MTR	06-Feb-2007			DSF grant		
Current completion	31-Mar-2014	Last Amendment	08-Jun-2007	IFAD grant		
Current closing	30-Sep-2014	Last Audit	31-Dec-2009	Domestic Total	4.77	
No. of extensions	0			Beneficiaries	0.30	
				Government (National)	4.46	64%
				Cofinancing Total	0.00	

IFAD disbursement % refers to currency of disbursement.

Project Performance Ratings

B.1 Fiduciary Aspects		Last	Current	B.2 Project implementation progress		Last	Current
1. Quality of financial management		3	3	1. Quality of project management		3	5
2. Acceptable disbursement rate		4	5	2. Performance of M&E		5	5
3. Counterpart funds		5	5	3. Coherence between AWPB & implementation		4	5
4. Compliance with loan covenants		4	4	4. Gender focus		5	5
5. Compliance with procurement		2	3	5. Poverty focus		5	5
6. Quality and timeliness of audits		3	4	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. Fisheries Development		4	5	1. Institution building (organizations, etc.)		3	4
2. Labour Intensive Infrastructure Dev.		5	5	2. Empowerment		3	4
3. Microfinance		4	4	3. Quality of beneficiary participation		3	4
4. Institutional Support		3	4	4. Responsiveness of service providers		3	5
5. Crop and Livestock Production		5	5	5. Exit strategy (readiness and quality)		2	5
				6. Potential for scaling up and replication		4	5
B.5 Justification of ratings							

Overall Assessment and Risk Profile

		Last	Current
C.1	Physical/financial assets	4	4
C.2	Food security	4	5
C.3	Overall implementation progress (Sections B1 and B2)	4	5
<p>Rationale for implementation progress rating</p> <p>The project has largely reached its physical targets. The major recommendations of the first phase review and more recent supervision and follow-up missions have been fully implemented, including developing and implementing an exit strategy for the micro-credit component. The trigger indicators for the project to proceed from phase 2 to 3 have very largely been met.</p>			
C.4	Likelihood of achieving the development objectives (section B3 and B4)	4	5
<p>Rationale for development objectives rating</p> <p>The project is now generating useful data on project impact. This shows increase production of crops and fish, increased income, improved food security and housing, and increased ownership of assets. This shows that the project is on course to reach its development objective of reducing poverty.</p>			
C.5	Risks Short description of major risks for each section and their impact on achievement of development objectives and sustainability		
	Fiduciary aspects	There is a continuing need to improve financial management. Current processes pose a risk in terms of not being able to meet IFAD financial and procurement guidelines	
	Project implementation progress	The project implementation progress is satisfactory. There is a need to continue the progress made on graduation of Credit Organisations. The project also needs to reach a formal agreement with the Ministry of Lands for the handover of another 88 waterbodies so that its target of 300 waterbodies can be reached.	
	Outputs and outcomes	There are no significant risks at the output and outcome level – project activities are generating good results. However the district is prone to flooding, and this year early flash floods destroyed a large proportion of the main (boro) rice crop, including demonstrations sponsored by the project. On the other hand, increased floods may benefit fish production.	
	Sustainability	The implementation of the graduation programme for Credit Organisations has reduced a major risk that these organisations were not going to be sustained by project support after the project ends. However members of graduated groups need to understand the risks involved if they continue to operate a micro-finance programme without project support. Beel User Groups now rely on project support, and there is some way to go before they become fully self-sustaining. A strategy for BUG graduation needs to be developed, but continued support is proposed in a follow-up project.	

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Formation of new COs	Having almost reached its target, the project should now stop forming new COs.	Immediate	..
Idle credit funds	As agreed with BKB, the Tk70 m in credit funds that are now idle with BKB should be refunded to the project account.	by Dec 2010	
Infrastructure quality	To improve quality control, place greater emphasis on training and operation of Implementation Monitoring Committees. Road shoulders on block roads need increased maintenance.	by June 2011	
Arsenic contamination	All project tubewells should be tested and filters provided where water quality is below acceptable standards.	By June 2011	
BUG management	Attention should be paid to improving the performance of weaker BUGs A federation of BUGs at upazila and/or district levels should be established to help ensure long term sustainability of BUGs		
Fisheries	A pilot scheme for cage culture should be targeted at women BUG members		
Agriculture	In phase 3 agricultural and livestock development should continue to promote rabi crops, but other activities should be more focused with specific sub-sectors being developed in specific upazilas.		
Financial management	To improve financial management and monitoring IFAD should provide hands-on training from its procurement and financial specialist		
Payment of tax	Taxes that have been wrongly claimed by the project (and disbursed by IFAD) from the loan need to be refunded to the loan account.		
Knowledge management	Results and lessons on CO graduation, concrete roads and community fisheries need to be disseminated via written material, workshops etc.		

Appendix 2: STATUS OF RECOMMENDATION OF THE LAST SUPERVISION MISSIONS

The Mission undertaken during 11 -23 February 2010 by Mr E Mallorie (IFAD Management Advisor)

Sl #	Agreed Action	Responsibility	Agreed Date	Status of Action Taken
1.	There seem to be particular problems in getting contractors to build concrete block roads, so in future (and subject to the findings of the BUET study) if at all possible all roads should be built by LCS, and any roads built by contractors should be RCC.	PMU	Soonest	All roads are now being built by LCS
2.	Taking account of the capacity of staff to supervise the work, a greater range of work may be given to LCS, including RCC roads and culverts (U drains or pipes).	PMU	Soonest	LCS have built 1.9 km RCC road in Bishwampur and two U drains
3.	Construct some additional steps in Jhumgaon to provide access to the well provided by SCBRMP. This should be done by an LCS.	PMU	Soonest	Work will start after the monsoon
4.	The mission supports the proposal to set up a central block making facility in at least one upazila ("job centre"). This could also make rings and slabs for latrines.	PMU	Soonest	Yet to start following damage from severe flash flood in March 2010.
5.	Re-allocate some funds from proposed multi-purpose community centres to provide infrastructure for small rural markets and/or fish landing and sale facilities.	PMU	Soonest	Will be proposed in upcoming revised DPP as per recommendations of SPR
6.	Further exploration is needed into what can be done to mitigate arsenic in tubewell water. DPHE should be consulted on this issue.	PMU	Soonest	Discussed the issue with DPHE and recently the matter was raised in PSC meeting in the ministry.
7.	The project has developed an good partnership with MoL who are convinced of the benefits of SCBRMP management of waterbodies. However there is considerable work still to be done before actual handover. To allow sufficient time to built sustainable BUG, the project should not aim to physically access any additional waterbodies during the three years of Phase III. Therefore it should stop at the number that are actually handed over during phase II.	PMU	End of phase II	MOU signed between MOL and LGD for 212 beels. Current BUGs have access to 143 waterbodies. Very soon another 30 will be accessed. Project has Identified, and PSC agreed to last 88 waterbodies to make total of 300.
8.	The project would benefit from assistance from IFAD, and possibly WFC, in analysing and interpreting monitoring data from BUGs. This would aim to identify key factors for success and assist in allocating project resources to where they will be most effective.	PMU, IFAD, WFC	During Phase Review mission	SPR has looked at this but IFAD may need to do more.
9.	Continue the excellent graduation programme, providing incentive payments for staff if needed.	PMU	Ongoing	Bonus payment now made to staff on graduation
10.	Draw up a schedule for graduation of all groups by end of the project.	PMU	1 May 2010	A plan for graduation drawn up and is in SPR
11.	If graduated groups decide to (or are unable to) continue micro-credit operations they should not be encouraged to do so. In particular the project should not consider allocating staff (CDF) to support groups who are not able to operated entirely on their own. A group that graduates, but does not continue in operation, should not be seen as a failure as its members will have received their share of group capital and re-invested this in an enterprise or in a savings account.	PMU	Ongoing	Decision has been taken accordingly. Groups not encouraged to continue micro-credit.
12.	Given the limited scale of micro-credit operations without additional capital from BKB or some other source, it may not be viable for groups to hire in expertise to assist with group management. The project should therefore not consider setting up a group of CDFs with the objective of selling accounting services to graduated COs. However there may be a case for offering some training opportunities to CO leaders – especially if they are newly elected.	PMU	Ongoing	This message has duly been disseminated to CDF and COs.
13.	The project should continue to monitor graduated COs to see if they are continuing to operate micro-credit. There is no need to regularly collect additional data on such things as current membership, number and size of loans, savings and credit performance. It may, however, be interesting to commission a study into the continued sustainability of graduated COs is a couple of years time.	PMU	Ongoing	Study has been carried out, summary available to SPR
14.	The need to commence micro-credit operations in groups that are now being formed may be reviewed during the visit of the Micro-Finance Specialist. If groups are happy to operate without any credit function, then they could be permitted to do so. Where groups wish to set up credit operations it should be made clear that project support will only continue for three years after which they are on their own. Consideration could be given to adopting some sort of ROSCA system, by which saving/credit funds circulate for one year before being returned to members and then a new cycle is started.	PMU with assistance for IFAD Credit Specialist	1 May 2010	To be discussed during SPR – when it was decided not to form any more COs so issue no longer exists.
15.	A draft manpower plan should be drawn up prior to the phase review. Once plans for phase III have been finalised, the manpower plan can be revised.	PD	1 July 2010	A group exercise was carried out comprising PMU staff and SUMP to draw a realistic plan
16.	The study on the impact of the project on CO members needs to be revised	WFC	30 March 2010	WFC have now produced final report.

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Sl #	Agreed Action	Responsibility	Agreed Date	Status of Action Taken
	and a final report produced.			
17.	WFC should produce a report with the results of fish catch and biodiversity monitoring in 2009	WFC	1 July 2010	Done - WFC report available for SPR
18.	WFC should carry out another survey into the livelihoods of BUG members. Comparing these results with the first round livelihood survey may generate some evidence of project impact.	WFC	1 July 2010	Done - WFC report available for SPR
19.	The survey on the impact of roads should be carried out as soon as possible	PMU	30 April 2010	Field survey already conducted. Data analysed by SPR
20.	The progress report for the six months to December 2009 should be produced	PMU	30 March 2010	Basic report on physical progress prepared for internal project use only
21.	A first draft of the annual progress report for 2009/10 should be available for the phase review in July 2010. It is appreciated that this may not be complete and that some data may not be up to the end of June 2010.	PMU	1 July 2010	Taken into process with special initiatives. Draft report available for SPR
22.	Data tables on BUG performance in 2009 should be produced once the harvest season is over, and the beel profile report updated.	PMU	1 July 2010	Taken into process. Tables available for SPR
23.	A RIMS anchor indicator survey should be carried out, as planned, prior to the end of phase II. The experienced and qualified company, Mitra Associates, should be contracted to do this work.	PMU	1 April 2010 (contract date)	Survey contracted out. Key data available for SPR. Final report now produced
24.	Prior to the phase review a list of all roads constructed by the project should be produced, showing length, width, type of construction, method of construction (contractor/LCS), and any repairs needed.	PMU	1 July 2010	Prepared and provided to SPR
25.	The checklist for procurement of works should be updated in time for the phase review mission	PMU	1 July 2010	The checklist has further been reviewed & updated.
26.	To facilitate planning of phase III the project should produce statements showing a breakdown of expenditure for each item up to the end of June 2010. If this data is not available for June 2010, then an estimate of expenditure to year-end may suffice.	PMU	1 July 2010	Prepared accordingly. June 2010 data will be available for SPR.

Mission undertaken during 13 – 19 March 2010 by Ms. Girija Srinivasan (Microfinance and Community Mobilization Specialist)

Sl.#	Agreed Action	Responsibility	Agreed Date	Action Taken
1.	Considering that fewer groups need to be attended to per staff, the target of graduating all the groups by June 2010 in the three upazilas should be pursued and achieved.	PD, Management consultant ,credit manager	June 2010	A plan has been drawn accordingly. However not all groups graduated by June 2010 due to loan default
2.	Overall staff attitude should be that they mean business and their communication and action should convey the intention to recover the overdue.	CM, SUPM	Immediate	Initiative has been taken to orientate staff accordingly
3.	Staff should communicate clearly to the members the net loan to be repaid (net of savings and accumulated profits) and develop plans for repayment.	CM, SUPM	Immediate	Initiative taken to proceed based on a planning to recover the due
4.	For the difficult COs – COs with large overdues/ cash in hand with leaders- strict warning to be given to clear dues within time frame and spell out further course of action such as public display of defaulter list, serving of legal notice, police complaint etc., Take such action on a case by case basis.	PD,CM	Immediate	Communicated accordingly in group and individually where required. However after flash floods in March 2010 there is an informal government decision not to pressurise victims for loan recovery.
5.	COs who are inactive and have not received project benefits in the three upazilas can be dropped.	PMU, SUPM	June 2010	A list has been drawn up – but most of them have overdue loans
6.	In spite of all measures, it is likely about 5 percent of the groups in the upazilas will have remnant problems. Suitable proposal will be considered for repayment of BKB loans/repayment of savings of non borrowers in these groups at the time of phase review.	PD,MC,CM	June 2010	The issue has been discussed. Some separate scope/provision should be in place to meet the crisis
7.	Since the graduation is a unique process adopted by the project, a quick survey of the graduated and continuing COs will be carried out three months after graduation. This will not only help in improving the project implementation but also provide key learnings for other projects/design of projects.	PMU	Ongoing ; summary of results of COs graduated till march 2010 by June 2010	A survey has been carried out
8.	First draft of the document on graduation process to be made available at the time of phase review	Management consultant and credit officer	June 2010	Prepared accordingly
9.	The project management should develop the policy and criteria for re allocation/posting of capable staff in the three upazilas in order to incentivise the staff to complete the CO graduation process in a time	PD, MC	June 2010	A plan and criteria has been drawn

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Sl.#	Agreed Action	Responsibility	Agreed Date	Action Taken
	bound manner.			
10.	Since the credit line to BKB is likely to be largely idle and project is keen to retrieve the funds for deployment to other project components, the project can develop suitable proposal for phase review.	Project director	June 2010	Proposal has been drawn accordingly. SPR proposes reallocation of funds
11.	CDF recruitment and deployment requires review since many mature COs are functioning on their own and do not need CDF. PMU can phase out the services of CDF along with graduation process.	Project Director.	June 2010	Agreed and decision has been taken accordingly
12.	New CO formation in other upazilas for achieving 3000 COs/90,000 HH to be completed as early as possible.	Project Director, PMU	December 2010 or earlier.	A plan has been drawn accordingly
13.	Though the institutional contract between IFAD and DHAN, the project should assume the overall responsibility to ensure that the software is customised and MIS brought on line by June 2010.	Project Director	June 2010	Decision has been taken accordingly
14.	DHAN software professional will spend adequate time in the field during the first visit to understand the project systems and requirements. DHAN will also provide need based training to staff in Sunamganj at an agreed time with the project.	Project Director	Immediate	DHAN still needs to complete this work
15.	A small team headed by management consultant and consisting of credit manager and other key PMU staff will work closely with software professional to complete customisation.	MC,CM	March 2010	This is being done
16.	The contract between IFAD and DHAN will require extension as per the time frame agreed with DHAN and the project.	IFAD	April 2010	IFAD has agreed to this
17.	The good practices of funds disclosure to ensure transparency need to be well embedded in the groups. Awareness and actual practice of CO members on how to check cash in hand and at bank need to be imbibed in the groups.	PMU	On going	Put in practice. CO audit has focused on this issue
18.	SUPM, SO and CDF to be provided practical training on checking cash in hand, checking the books of accounts etc.,	CM	April 2010	Training arranged focusing on that issue
19.	All COs will be provided a cash box with two key basis as soon as possible.	Project Director, CM	Immediate	Discussed, but fund is not available so not done
20.	Monitoring by SUPM, PMU staff and senior management by surprise checks, calling for books of accounts etc.,	Management consultant, PMU, SUPM	On going	A monitoring tool has been developed and put in practice
21.	The CDF should check the books of accounts of CO every week and SO should check at least every month.	CM,SUPM	On going	Ensured accordingly
22.	PMU will develop a suitable tool for monitoring the visit of SO to COs and checking books and cash in hand.	Credit manager	April 2010	Developed accordingly

Mission undertaken during 10-17 September 2009 headed by Mr. Dev Nathan other members were Ms. Girija Srinivasan (Microfinance and Community Mobilization Specialist), Niaz Ahmed Apu (Fisheries Management Specialist) and Mr N.M. Sudhir (Financial Management Specialist)

Sl.#	Agreed Action	Responsibility	Agreed Date	Action Taken
1.	The total credit line allocation to BKB under the project is Tk.27 crores. Since the project's strategy for micro credit has been changed, the undisbursed amount may be re allocated to other components.	Project Director	June 2010	Decision has been taken accordingly
2.	The project, in view of the changed implementation arrangements, can initiate discussions with Ministry of Finance and BKB for reallocation of the credit line. The idle fund in the already disbursed credit line can be reallocated for other project activities at the time of next phase review in August 2010.	Project Director	June 2010	Will be discussed during phase II review
3.	IFAD procurement guidelines and PPA 2008 must be followed by the PMU and by XEN Sunamganj in letter and in spirit. Wherever practical and feasible, packages must be bulked up and offered in a single tender. Competitive bidding process must be fair, transparent and meticulously documented. IFAD may consider pronouncement of mis-procurement if total transparency is restored in bidding and contracting procedures and documentation with immediate effect. It may be noted that the Project was given 8 months time since the last SM, to ensure compliance. The same applies to documentation related to sinking of tube wells and construction of latrines also.	PMU and LGED XEN Office, Sunamganj	With immediate effect.	All procurements have been being done following current PPR and consulting with IFAD Procurement Guidelines with focus on achieving efficiency and greater scope of benefiting the targeted class the most.
4.	IFAD may depute a quality audit team to verify the quality of infrastructure works undertaken by the Project. The audit is particularly significant as a major reallocation of funding from Micro credit to Infrastructure is envisaged during Phase III.	IFAD	Immediate	In fact this work has been undertaken by BUET who has been contracted by the project. Interim report available.

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Sl.#	Agreed Action	Responsibility	Agreed Date	Action Taken
5.	In addition to the IFAD quality audit, the Infrastructure management Specialist must personally visit and certify the quality of 10 % of the completed road and other infrastructure works, 5 % of the tube wells sunk and 2 % of the latrines constructed. The report must be submitted to IFAD by the deadline specified. The PMU also needs to reconcile the funds transferred to COs for the construction of latrines and for the sinking of tubewells with the corresponding receipt by COs (as per Upazilla and CO records) and the amount actually spent on these activities.	Infrastructure management Specialist of the PMU.	Immediate	Conducted a survey done and report available
6.	Necessary steps will be taken to reallocate Tk.5 crores from Micro-credit to Infrastructure for each of the years 2009-10 and 2010-11	PMU	Every month	Processed accordingly
7.	Wherever required, the CC block roads may be repaired with a seal coat of „Rich CC“ mixture.	Infrastructure Specialist	Immediate	Decision taken accordingly. Repairs carried out.
8.	The unfinished portion of the Derai-Sulla road will be constructed with RCC slabs.	Infrastructure Specialist and XEN, Sunamganj	Immediate	Waiting for the study report from BUET
9.	The pilot pre-cast concrete block section of the Derai-Sulla road will be evaluated after one dry season of traffic.	LGED	Immediate	A study has been commissioned from BUET
10.	Adequate capable staff will be provided in the upazilas where large waterbodies are included. Project will make a systematic manpower plan for fisheries component (presently on average one SMS or SO is responsible for 5.8 beel/haor or 216 BUG member those spread over in 10 villages or 75 ha of water area).	PMU	1 Dec.2009	Taken into action as part of overall manpower plan for phase 3.
11.	The project will incorporate all the guideline of the new jolmohal management policy; like endorsement of fishers' list, annual performance audit reports, etc.	Fisheries Specialist and PMU	1 Dec. 2009	Taken into process. Now comply with the new policy.
12.	Arrangements for 20-year leases should be sought in the MoU for next phase waterbodies.	PMU	31 Dec. 2009	Proposed for 10 years with scope of further extension. See SPR recommendation
13.	Based on the 20 years lease period for water bodies of more than 20 acres, the project needs to come up with an MoU with MoL, for water bodies of less than 20 acres for 20 years during next phase handover process. At the same time another MoU is needed for 20 years lease period for those less than 20 acres water bodies which were already handed over in the first phase from MoYS.	PMU	31 Dec. 2009	MOU signed for 10 years with scope of further extension
14.	Appropriate level of representation should be sought for the project in the district and upazila committees for jolmohal management formed according to new policy.	PMU/Fisheries Specialist	1 Dec. 2009	Proposal accepted. At district level XEN and at Upazila level project staff have been included as the member of Jajmahal committee
15.	Cage culture can be tried on pilot basis at Tahirpur involving women; species should be considered which are less risky and profitable. Technical support should be taken from local fisheries officer.	Fisheries Specialist	Plan by 31 Dec. 2009	Yet to implement following lack of cooperation from local fisheries officer. Needs to be taken up in phase 3
16.	Project will provide logistic support for awareness campaign in Tahirpur to implement the ban on fishing during the breeding season.	Fisheries Specialist	1 April 2010	Could not be implemented due to lack of cooperation from local fisheries office
17.	WFC contract will be extended to include study of fish diversity in at least 5 non-project beels.	PMU	1 Dec. 2009	Extended accordingly
18.	Preparation will be made to increase staff and consultant salaries.	PMU	1 Dec. 2009	One increment paid to staff. For increase in salary subject to review by SPR.

Progress against the recommendations of January 2009 IFAD Supervision Mission

Microfinance

Sl. #	Recommendation	Timeline	Steps taken so far	Progress status
1	<p>Since no MFI has come forward to work with the project, the mission recommends that the project should graduate all the groups in the three upazilas - South Sunamganj, Sadar and Biswamvarpur -where all other project activities have been completed –by June 2010⁴.</p> <p>BUG activities will continue.</p> <p>The assets and infrastructure created by the project, such as Multi-Purpose Centres, in these upazilas will be appropriately handed over to Union Parishad/LGED for use and maintenance.</p>	Immediately	<p>Initiative taken with a plan to make the work done in time</p> <p>Yet to decided</p>	<p>Progressed – graduation process started.</p> <p>Progressed</p> <p><i>However project prefer to hand-over the properties to LGED considering its purposeful use and maintenance</i></p>
2	The graduation process will be carefully planned, monitored and managed. Co wise position will be drawn first categorizing the COs into three – very good and ready for graduation, moderate with problems and very poor. There after the problems being faced at CO level will be analysed and how and when the project will exit from the CO will be planned.	Immediately	The process and a elaborate system is in place with necessary revisions	<p>Progressed</p> <p>Supporting docs: Report on revision of CO graduation guideline</p>
3	The phasing out of a group will start with reducing the BKB loans; only credit worthy COs and credit worthy borrowers must be given another loan from BKB. The savings loan will be continued for shorter term of 6 months to coincide with the closure of BKB loans. Project will ensure that not more 25 percent of the members have running loans in the last cycle of BKB and savings loans. New groups will not be linked to BKB.	Immediately	The process put in place and all concerned are well informed	<p>Progressed</p> <p>Supporting Doc: Monthly MF progress report</p>
4	The communication strategy has to be carefully designed to ensure that the group members understand the need for graduation and process to be adopted and do not engage in risky behaviour such as not attending meetings, non repayment of loan instalments. Communication to the COs from the project should be clear and without any ambiguity. SO and CDF should be trained well on what to communicate.	Immediately	Made the concern staffs and others aware about it and its necessity in the CO graduation orientation training, and in Union Workshop	Progressed
5	Groups can also be imparted necessary training for graduation	Immediately	Taken in process following a need based assessment	<p>Progressed.</p> <p>Supporting document: Training module for graduating CO</p>
6	The period between the communication to the groups about graduation and actual graduation should be brief - not more than three months. The project has already prepared a letter to be given to each CO for graduation. The project is gearing itself for settling of accounts in a very transparent manner.	Immediately	Considered strictly in the planning and implementing of CO graduation. Preparation is done during pre and final account, and the time between communication and actual graduation takes around 2 months maximum.	<p>Progressed</p> <p>Supporting docs: Final account memorandum</p>
7	The in-depth audit conducted during 2008 will form the basis for settling of member dues. The accounts will be updated and amount due to each member will be arrived at. Since many of the groups may desire to continue operations on their own, the project can distribute all savings except the minimum balance to be kept in BKB account. The group leaders in the presence of the project staff will distribute either cash or cheques for the member dues.	Immediately	Followed	<p>Progressed</p> <p>Supporting doc : Graduation document</p>
8	The groups who are keen to continue their operations will start afresh with weekly savings. They can take the help of SO/CDF where needed by paying for their services. Project will not provide any support to the groups after graduation.	Immediately	Followed and the supports from SO/ CDF have been determined upon agreed with COs	<p>Progressed</p> <p>Supporting Doc: Final account memorandum</p>
9	Since quality issues are being faced in the COs in these three upazilas, each upazila will be closely monitored by PMU officials to avert any crisis. (Credit Manager, Senior Social Organizer and M&E officer can be assigned one upazila each).	Immediately	Followed	Progressed
10	In the two new upazilas – Dharmapasha and Sulla - the groups will not be linked to BKB but they will rotate their own savings as loans. In Dowarabazar where only 19 COs have been linked to BKB, the project can consider scaling down such linkages. In the other three upazilas – Jamalganj, Tahirpur, and Derai - where BKB linkage is established, the project will take steps for graduating the groups while some of the other services are still in operation so that the groups do not have quality issues.	Immediately	Followed and put it in a planning	<p>Progressed</p> <p>Supporting doc: Quarterly Staff meeting Sep -2009 Monthly MF progress report</p>

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Sl. #	Recommendation	Timeline	Steps taken so far	Progress status
11	The project is keen to extend operations in two more upazilas of the district especially for infrastructure activities. No CO will be formed in these two upazilas. Groups will be formed for carrying out only infrastructure and, if necessary, beel activities.	Immediately	Under process	Yet to implement , and subject to further discussion with IFAD Mission
12	The project need not disburse any further amount to BKB since the groups will be graduated from three upazilas and groups in two new upazilas will not be linked to BKB.	Immediately	Followed	Done
13	The maximum loan size also needs review since it is seen that larger loans lead to over dues.	Immediately	Duly followed and present limit stands at Tk 6000 on average	Progressed
14	Project can approach BKB for accepting weekly cash payments from COs where needed.	Immediately	Duly communicated	Progressed , but not evenly at all upazilas
15	The allocation of risk fund needs to be reviewed. Necessary changes to SLA can be carried out at the time of Phase review	Immediately & during SPR	Yet to take any step. This issue is subject to revision of SLA	No progress yet
16	The project can install the software for six upazilas, i.e. other than the three old upazilas. Since the project has plans to withdraw their operations from three old upazilas, project can continue with the existing system in these three upazilas. The project can purchase additional copies of the software and enter into a MOU with DHAN foundation for customization of the software and need based support for one year.	Immediately	Initiative taken	Progressed but relatively slow
17	IFAD should consider the project request for financial support from IFAD for customisation, installation of software and training of staff.	Immediately	Initiative taken	Confirmed by IFAD about funding

Financial Aspects

Sl.#	Recommendation	Timeline	Steps taken so far	Progress status
1	The PMU must prepare monthly bank reconciliation statements with complete breakdown of all entries therein, on a monthly basis	Immediately	Initiative taken	Progressing but not yet done
2	The PMU must explore the possibility of modifying the financial software so that it can generate Project Financial Statements in IFAD" s formats and can also compare actual and budgeted expenditure as per AWPB.	June 30 2009	Initiative taken	The concerned consultant has recently left LGED.
3	The PMU should maintain fixed asset records and Contingency records in formats provided by the previous SM. Physical check must be done twice a year by a 3-4 member inter departmental team and the report must compare physical balances with book balances, identify and explain variances, if any.	Immediately	Initiative taken	Progressed
4	It was agreed that the procurement irregularities described above would be avoided in all future procurement and that IFAD procurement guidelines must be followed in letter and in spirit. Wherever practical and feasible, packages must be bulked up and offered in a single tender. The competitive bidding process must be transparent and meticulously documented.	Immediately	Initiative taken and informed the issue to all concerned	All procurements are being done following the PPR2008 that mostly fall in with IFAD Procurement guidelines
5	IFAD may depute a quality audit team to verify the quality of infrastructure works undertaken by the Project. The audit is particularly significant if a major reallocation of funding from micro credit to Infrastructure is envisaged during Phase III.	June 30 2009	Initiative yet to take	Being done by BUET team
6	As about half of the funds so far disbursed to BKB for micro-credit is not being lent to Cos, but is lying idle with BKB, no further disbursement to be made to BKB.	immediately	Initiative taken accordingly	Done
7	Training expenditure must be properly supported by training reports and evidence of participation.	immediately	Initiative taken	Progressed but still a problem
8	Tk. 15 Million transferred to the project" s STD account in BKB in December 2008, should be transferred back to the Main Project Account.	Immediately	Initiative taken	Done
9	6.5 % interest on micro credit lending through BKB which is placed by BKB in a designated interest bearing account from the start of the project, must be quantified and taken into the Project" s books of accounts. The amount of interest placed in the designated account must be reconciled with the Project" s calculation of the same and a report to this effect must be submitted to IFAD by the deadline specified.	February 28 2009	Initiative taken	Progressed, except two branches one at Joynagar and another at Sunamganj Sadar Supporting Doc: Bank statement up to June 2009
10	Internal audit observations for 2008, especially those related to excessive cash in hand holding by CO functionaries must be acted upon with speed and effectiveness. In future years, the CO audits must be done in a phased manner around the year to avoid serious dislocation of other activities.	Immediately	Initiative taken	Situation largely improved and further improving

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Fisheries

Sl.#	Recommendation	Timeline	Steps taken so far	Progress status
1	Project should immediately provide adequate and qualified staff at Tahirpur Upazila for closely working with BUGs in the large haors.	February 2009	Initiative taken	Proper skilled staff put in place
2	In large haors, encourage landing the fish at one site and sharing of fish income.	ASAP	Taken into planning	Will be done by next winter
3	Strengthening "Upazila Coordination Committee for identification, transfer, management and development of water bodies (both above and below 20 acres) those targeted for phase II for SCBRMP".	April 2009	Initiative taken with proper intimation more cooperation and coordination	<i>Following new Jol Mahal Management Policy 2009, the management structure will be different. Project should be a member of both District and Upazila Jol Mahal Management Committee.</i>
4	Remaining 207 water bodies (above and below 20 acres) that are yet to be transferred to SCBRMP should be handed over to SCBRMP according to the loan agreement and considering its importance as it is a trigger indicator for phase review.	Immediately	Initiative taken with priority	It is viewed by the end of phase two project can access to around total 189 beels
5	Organise in-house and field based training for newly elected office bearers on financial management and record keeping improving management system and avoiding undue control of previous leaders.	Immediately	Initiative taken introducing a revised training programme. Leaders trained up to do their work by them own to avoid the control by other	Done as planned
6	Encourage BUGs to undertake different activities for maximizing the use of water and adjacent land for improving their livelihoods, particularly vegetable growing by women	Immediately	Initiative taken and a plan developed following necessary appraisal in participation of BUG members	Progressed
7	The Gender Consultant can work with the BUGs and BMCs in order to make women's membership effective. Economic activities for women in beel areas, e.g. vegetable growing and swamp tree plantation, can be developed.	Immediately	Initiative taken	Yet to progress as such Supporting doc: Report and comments by the project

Infrastructure

Sl. #	Recommendation	Timeline	Steps taken so far	Progress status
1	Implement recommendations of LGED Committee to evaluate concrete-block roads, including that of increasing width by one block of 375mm.	Immediately	Taken into consideration	Could not be done having no sufficient shoulder and space to increase the breadth of the road space
2	Request LGED to re-evaluate condition of submerged concrete-block roads in current dry season.	31 March 2009	Yet to take any step	Planned to do it during Oct-Nov 2009
3	Carry out full-scale impact study of roads	31 March 2010	A draft ToR developed	Accordingly in Progress – now complete
4	Explore ways of financing and managing construction of two bridges on Derai – Sullah road .	Immediately	Initiative taken	Firm selected other than LGED who has proper expertise on it, and the report is to be submitted by November 2009

Agriculture

Sl. #	Recommendation	Timeline	Steps taken so far	Progress status
1	Test varieties of groundnut for cultivation in sandy soil.	Next dry season	Taken into plan for upcoming season	Accordingly in progress. Not only ground nut planning has been taken for sweet-potato as well. Supporting Doc: Planning document

Preparation of Phase Review

Sl. #	Recommendation	Timeline	Steps taken so far	Progress status
1	Complete impact studies of infrastructure and agriculture and livestock components	June 2010	Included in 2009-10 AWPB	Taken into planning Supporting Doc: Year planning report with AWPB (2009-10)
2	Have 2 nd round of RIMS survey conducted before Phase Review	June 2010	Included in AWPB	Taken into planning , but fund is not sufficient (available only Tk. 700 000) Supporting Doc: Year planning report with AWPB (2009-10)
3	Add strict adherence to IFAD procurement procedures in letter and spirit as a trigger indicator for proceeding to Phase III	On going	Followed	Duly followed

Appendix 3: ACTUAL FINANCIAL PERFORMANCE BY FINANCIER, COMPONENT & CATEGORY

Table 3a Financial Performance by Financier

Financier	Approved	Disbursements	Percent %
	(USD'000)	(USD'000)	
IFAD Loan	24,942.47	15,510.66	62.19
Government	3,684.80	2,351.00	63.80
Beneficiaries	637.90	234.70	36.79
Total	29,265.17	18,096.36	61.84

Table 3b Financial Performance by Financier and Component (USD'000)

SL	Component	IFAD Loan			Government			Benefeceries			Total		
		Approval	Actual	%	Approval	Actual	%	Approval	Actual	%	Approval	Actual	%
1	Infrastruature Development	5956.51	7081.21	118.88	3285.37	2087.50	63	509.58	215.00	50	9751.46	9383.71	96.23
2	Fisherries Development	3801.62	1811.97	47.66				128.32	19.7		3929.94	1831.67	46.61
3	Agriculture and Livestock Development	1624.92	849.97	52.31							1624.92	849.97	52.31
4	Micro-Finance	4574.496	1688.26	36.91							4574.50	1688.26	36.91
5	Institutional Support	8546.963	4079.25	47.73	399.43	263.50	68				8946.39	4342.75	48.54
6	Un allocated	437.956	0	0.00							437.96	0.00	0.00
		24942.465	15510.66	62.19	3684.80	2351.00	63	637.90	234.7	50	29265.16	18096.36	61.84

Table 3c Disbursement of IFAD loan by loan category (SDR)

Category	Category description	Original allocation	Revised allocation	Disbursement	% disbursed
	Initial advance			1,318,211.72	
I	Earth and Civil Works	5,500,000	5,500,000	5,246,458.60	95%
II	Equipment and Materials	335,000	335,000	130,038.93	39%
III	Vehicles	265,000	265,000	217,401.89	82%
IV	Technical Assistance, Training and Studies	2,160,000	2,160,000	1,556,793.87	72%
V	Credit	2,315,000	2,315,000	928,940.69	40%
VI(a)	(a) Salaris and Allowiances	2,295,000	2,295,000	1,395,296.62	61%
VI(b)	(b) Operating Costs	680,000	680,000	497,005.78	73%
	Phase III	3,025,000	3,025,000		0%
	Unallocated	975,000	975,000	-	0%
	total	17,550,000	17,550,000	11,290,148.09	64%

Appendix 4: COMPLIANCE WITH FINANCING AGREEMENT COVENANTS

Section	Covenant	Target/Action Due Date	Compliance Status/Date
2.03	Opening of Special Account		Complied
2.04	Use of proceeds for eligible expenditures		Not complied (taxes)
3.02	PMU to prepare AWPB for each project year	March 31	Complied
	PMU to submit AWPB to IFDMOF and IFAD for comments/clearance	March 31 & April 30	Complied
3.03	Lead Agency shall open and operate Project Account		Complied
3.04	Borrower shall make available loan funds for the LPA in accordance with AWPBs		Complied
3.05	Borrower shall make available additional funds if necessary. The Borrower shall make available to the Project, from its own resources a sum equivalent to USD 4,463,000		Complied Proportionately
3.07	All procurement in line with Sch 4 and IFAD's procurement guidelines		Complied
4.01	Maintain information management and progress monitoring system	6 months of effectiveness	Complied
4.02	Submit semi annual and annual progress reports to IFAD	August 15 and February 15	Partially complied (annual report)
4.03	Undertake Phase reviews	Start of fifth and 8 th year	Complied
4.05	Facilitate future evaluations		Not applicable to date
5.01	Prepare and submit consolidated financial statements	September 30	Not Complied
5.03	Appoint auditor and undertake annual audits	December 31	Complied
5.04	Performance audits		Not Complied
Sch 2 Para 3	Withdrawals not less than USD 20 000		Complied
Sch 3 Para 1	Appointment of RDCD as LPA		LGED appointed as LPA
Sch 3 Para 7,8,9	Constitution of DCC and UCC		Complied
Sch 3 Para II.1	Consideration of gender issues in project implementation		Complied
Sch 3A Para 9	Insurance of project staff and project assets		Not Complied
Sch. 4	Clubbing of procurement packages to get best value		Not Complied

Appendix 5: PHYSICAL PROGRESS MEASURED AGAINST AWP&B AND APPRAISAL TARGETS

Indicators	Physical targets and progress (annual for FY 2009/10)							Financial targets and progress (Tk'000)						
Project components/Indicators	Approved (Total)	FPR Revised (Total)	Planned (Annual)	Achieved (Cumulative)	%	Achieved (Annual)	%	Approved (Total)	MTR Revised (Total)	Planned (Annual)	Spent (Cumulative)	%	Spent (Annual)	%
1. Infrastructure Development														
no. of IMC formed	176	273	53	247	90	52	98							
no. of LCS formed	126	NT	562	1834		458	82							
no of IMC members trained	1584	2450	477	2311	94	520	109	-	604.00	151.00	453.00	75	151.00	100
no of LCS members trained	1260	2200	2810	11503	523	4123	147							
no. of group members engaged in work	NT	224370	43654	208847	93	33745	77							
no. of male group members engaged in work	NT	149580	29103	139231	93	22497	77							
no. of female group members engaged in work	NT	74790	14551	69616	93	11248	77							
no. of tube-well installed	1258	3000	400	2480	83	360	90	25,160.00	65,993.00	8,722.00	51,045.70	77	8,710.00	100
no. of tube-wells tested for arsenic and found safe	1258	3000	TBM	1204	40	1204								
no. of beneficiaries accessed to safe drinking water	40000	450000	60000	372000	83	54000	90							
Km of village road constructed	125	220	52	213	97	51	98	167,820.00	457,000.00	167,254.00	507,569.43	111	167,052.00	100
no. of roads constructed	125	NT	52	195		53	102							
no. of MVC constructed	50	53	1	27	51	1	100	37,250.00	37,858.00	5,161.00	20,216.89	53	5,123.00	99
no. of latrine installed	0	70000	13510	65095	93	10252	76	-	35,270.00	6,579.00	33,431.00	95	6,569.00	100
no. of tube wells maintenance undertaken	NT	NT		0		0		16,782.00	71,250.00	11,200.00	28,850.18	40	11,117.41	99
no. of road maintenance undertaken	NT	NT	21	176		21	100							
Sub-total 1								247,012.00	667,975.00	199,067.00	641,566.20	96	198,722.41	100
2. Fisheries development														
no. of beel development Plans developed	600	300	71	128	43	73	103							
no. of beel developed/excavated	600	300	71	128	43	73	103	242,665.00	156,978.00	27,403.00	62,806.95	40	27,403.00	100
Acres of beel developed/excavated		4000	950	2576.05	64	1469	155							
no. of beel habitat restoration activities undertaken	600	300	50	128	43	73	146							
Acres of beel habitat restoration activities undertaken		4000	817	2576.05	64	1469	180							
no. of khal excavated	10	33	3	16	48	3	100	10,620.00	26,400.00	4,793.00	12,636.82	48	4,750.00	99

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Indicators	Physical targets and progress (annual for FY 2009/10)							Financial targets and progress (Tk'000)						
Project components/Indicators	Approved (Total)	FPR Revised (Total)	Planned (Annual)	Achieved (Cumulative)	%	Achieved (Annual)	%	Approved (Total)	MTR Revised (Total)	Planned (Annual)	Spent (Cumulative)	%	Spent (Annual)	%
Km. of khal excavated	10	33	3	25.26	77	3.05	102							
no. of BUG formed	600	300	70	161	54	52	74							
no. of BUG members	19000	9500	2800	5949	63	2622	94							
no. of women in BUG	4750	2375	840	1335	56	780	93							
no. of BUG with positive management ratings	600	300	70	137	46	58	83							
no. of BMC	600	300	70	161	54	52	74							
no. of beels accessed	600	300	70	143	48	65	93							
Acres of beel accessed	NT	4000	1306	3387.62	85	1334.57	102							
								25,000.00					-	
no. of pond excavated	1615	150	10	64	43	10	100	32,300.00	11,830.00	850.00	2,005.31	17	824.90	97
Acres of pond excavated	400	37	2	21	57	2.5	101							
no. of indigent women involved	8075	750	50	283	38	56	112							
no of ponds leased to poor women	1615	150	10	64	43	10	100							
p/m Technical Assistance received	7	120	16	63	53	12	75	9,100.00	6,714.50	583.00	3,254.86	48	542.26	93
no. of beneficiaries received training	13320	9500	3424	11051	116	4264	125	1,920.00	9,545.00	1,881.00	5,661.19	59	1,880.49	100
no. of village promotional materials disseminated	225	450	TBM	280	62	135		1,500.00	3,292.00	-	1,850.00	56	-	
no. of conservation campaign undertaken	NT	1200	50	393	33	50	100	3,000.00	1,508.00	100.00	1,191.76	79	72.10	72
no. of studies undertaken	0	1	1	1	100	1	100		800.00	500.00	500.00	63	500.00	100
no. of studies undertaken	0	1	1	1	100	1	100		800.00	-	-		-	
no. of fish catch monitoring exercises conducted	6	9	1	6	67	1	100	1,500.00	37,864.00	6,884.00	19,327.10	51	6,700.80	97
no. of upazilas resource maps developed	10	7	2	9	129	2	100	17,110.00	12,773.00	3,000.00	11,548.18	90	2,975.18	99
no. of studies undertaken	8	3	0	3	100	0		2,400.00	696.00		196.00	28	-	
Sub-total 2								347,115.00	269,200.50	45,994.00	120,978.17	45	45,648.73	99
3. Agricultural and livestock Development														
no. of PRA conducted for problem identification	2	1	0	1	100			1100.00	550.00	0.00	550.00	100	0.00	
no. of Research and Trial completed	128	128	9	92	72	9	100	32111.00	18234.00	1800.00	8,413.21	46	1751.40	97

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Indicators	Physical targets and progress (annual for FY 2009/10)							Financial targets and progress (Tk'000)						
Project components/Indicators	Approved (Total)	FPR Revised (Total)	Planned (Annual)	Achieved (Cumulative)	%	Achieved (Annual)	%	Approved (Total)	MTR Revised (Total)	Planned (Annual)	Spent (Cumulative)	%	Spent (Annual)	%
no. of technology/varieties selected	NT	NT	TBM	43		4								
no. of demonstrations under taken	7380	7956	1152	5419	68	1467	127	29520.00	19652.00	1900.00	17,233.20	88	1868.00	98
no. of technology/varieties replicated	NT	NT	TBM	1849		388								
no. of beneficiaries received technology/varieties	7380	7956	1152	5419	68	1467	127							
no. of farmer trained (total)	33305	33500	13000	65514	196	12954	100	18276.00	27862.20	3900.00	20,210.92	73	3879.92	99
no. of women trained	16653	16750	10500	48347	289	10631	101							
no. of farmers participating in field training	NT	NT	11520	49456		11520	100	2248.00	2258.00	288.00	1,320.00	58	200.00	69
no. of farmers participated	NT	NT	TBM	3829		0		2869.00	1366.00	145.00	1,315.00	96	145.00	100
no. of staff participated	NT	NT	TBM	1686		396								
p/m Technical Assistance received	6	120	16	64	53	16	100	7800.00	6885.50	772.00	2,648.32	38	771.86	100
no. of activist/advance farmers developed	6590	1432	25	1354	95	23	92							
no. of agriculture study/KAP conducted	0	NT	1	4		1	100	0.00	3800.00	400.00	1,618.00	43	400.00	100
no. of agr. infrastructure constructed	0	NT	2	2		2	100	0.00	24600.00	1300.00	1,300.00	5	1300.00	100
no. of vaccine campaign conducted	NT	883	200	648	73	177	89	5380.00	1799.00	167.00	972.83	54	166.37	100
no. of livestock/poultry vaccinated	NT	NT	TBM	180847		35990								
no. of villages promotional materials disseminated	225	225	100	572	254	128	128	5000.00	4300.00	100.00	2,642.36	61	87.80	88
Sub-total 3								104304.00	111306.70	10772.00	58223.84	52	10570.35	98
4. Micro-credit														
Funds to BKB under project credit line (in LTk.)	5220.66	2709.77	500.00	914.56	34	0.00	0	522066.00	270977.00	-	91,456.00	34	0.00	
no. of beneficiaries trained	121275	90000	17000	30763	34	16589	98	9200.00	28228.00	4000.00	14,490.24	51	3923.39	98
p/m of Technical Assistance received	0	24	4	7	29	0	0	0.00	2400.00	50.00	665.48	28	42.80	86
no. of CO auditors selected and trained	209	400	100	368	92	95	95	14713.00	11748.00	2350.00	5,392.70	46	2327.00	99
no. of internal CO audit completed	27410	19747	2864	6597	33	2554	89							
no. of CO audited	4500	3000	2794	2738	91	2484	89							
Sub-total 4								545979.00	313353.00	6400.00	112004.42	36	6293.19	98

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Indicators	Physical targets and progress (annual for FY 2009/10)							Financial targets and progress (Tk'000)						
Project components/Indicators	Approved (Total)	FPR Revised (Total)	Planned (Annual)	Achieved (Cumulative)	%	Achieved (Annual)	%	Approved (Total)	MTR Revised (Total)	Planned (Annual)	Spent (Cumulative)	%	Spent (Annual)	%
5. Institutional Development:														
no. of computer procured	55	62	5	49	79	5	100	16150.00	39628.00	1350.00	13,719.88	35	1333.00	99
no. of MIS & LACI software developed	2	1	0	1	100	0								
no. of office equipment procured	106	91	4	64	70	4	100							
no. of furniture procured	22	20	1	16	80	1	100							
no. of 4WD vehicles procured	6	4	0	4	100	0		45535.00	34892.00	25.00	26,696.90	77	5.50	22
no. of speed boat procured	4	4	0	3	75	0								
no. of motorcycles procured	225	189	12	155	82	0	0							
no. of bicycles procured	19	19	1	19	100	1	100							
no. of staff received training	277	864	176	706	82	155	88	2299.00	23549.00	4300.00	12,174.94	52	4255.99	99
p/m Management Consultant received	18	109	12	67	61	12	100	28917.00	77886.50	9,310.00	25,605.20	33	9309.58	100
no. of evaluation and project completion reports	3	6	1	4	67	1	100							
p/m Technical Assistance - PIM received	8	29	4	14	48	4	100							
p/m Technical Assistance - MIS received	2	28	4	7	25	0	0							
no. of participative M&E workshop arranged	4	4	0	3	75	0								
no. of M&E Facilitators/Enumerations recruited and trained	50	147	145	145	99	145	100							
no. of LACI performance review completed	3	6	1	2	33	1	100							
no. of project staff recruited and trained	210	193	202	180	93	180	89	204907.00	335748.15	33700.00	140,016.98	42	33624.50	100
no. of project office established and maintained	12	11	11	11	100	11	100	91350.00	93968.15	11300.00	61,213.37	65	11237.18	99
no. of coordination committee formed	12	11	0	11	100	0								
Sub-total 5								389158.00	605671.80	59985.00	279427.27	46	59765.75	100
6. Other														
no. of vehicles procured and CD VAT paid	6	4	0	4	100	0	###	38,379.00	7,156.00	-	4,011.00	56	0.00	
Cost Escalated								256,273.00	30,000.00	-	-	-		
Sub-total 6								294,652.00	37,156.00	-	4,011.00	11	-	
Grand total								1,928,220.00	2,004,663.00	322,218.00	1,216,210.90	61	321,000.43	100

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Appendix 6: RIMS TABLE

Indicator	Level	Multiplier	Unit	Appraisal target	FY 07/8 Actual	FY 08/9 Actual	FY 09/10 Actual	Cumulative Achievement to date	NOTES FOR INTERPRETING DATA
Malnutrition: percent of children stunted (height-for-weight < -2SD)	anchor		FPR 2006	56.7			47.9		Standard RIMS survey, sample of 900 HH
Food security: percent households reporting no food shortage	anchor		baseline	20.0		37.2			Panel sample of 250 HH, baseline when CO groups formed between 2002 and 2004
Housing: % households with tin roof	anchor		baseline	72.8		87.2			Panel sample of 250 HH, baseline when CO groups formed between 2002 and 2004
Housing: % households with tin walls	anchor		baseline	14.8		25.2			Panel sample of 250 HH, baseline when CO groups formed between 2002 and 2004
Sanitation: % of households with own latrine	anchor		baseline	13.2		87.3			Panel sample of 250 HH, baseline when CO groups formed between 2002 and 2004
Water supply: % of households with own tubewell	anchor		baseline	15.6		20.0			Panel sample of 250 HH, baseline when CO groups formed between 2002 and 2004
Assets: % of households owning bicycle	anchor		baseline	4.8		10.0			Panel sample of 250 HH, baseline when CO groups formed between 2002 and 2004
NRM group formed	1		Number	300	30	11	52	161	
Member in NRM groups enrolled	1	men	Number	7,125	821	342	1842	4,614	
Member in NRM groups enrolled	1	women	Number	2,375	167	268	780	1,335	
NRM groups functional	1		Number	300	98	109	161	161	
Beels (water body) constructed/rehabilitated**	1		Number	300	0	6	73	128	
Area of beels brought under improved management	1		Hectare	1,619	160	366	595	1,482	
Effectiveness of improved beel management	2		Rating		4	4	4		Rating of 4 = moderately satisfactory
- evidence of effectiveness - fish catch per ha			catch kg/ac		118	54	69		Organised catch only, total catch is about double this figure. Has been effected by reduced flooding in past 2-3 years
Likelihood of sustainability of improved beel management	2		Rating			4	4		Rating of 4 = moderately satisfactory
- evidence of sustainability - % of BUGs rated A			BUG % A			24%	21%		
Savings and credit groups formed	1		Number	3,000	641	658	506	2,968	
Number of savings and credit groups functional	1		Number	300	1,804	2,394	1,974	1,974	Net of number graduated
Member in savings and credit groups enrolled	1	men	Number	37,421	4,975	3,468	3,024	24,804	
Member in savings and credit groups enrolled	1	women	Number	52,579	13,504	14,710	12,130	60,247	
Voluntary savers functional	1	men	Number	37,421	16,794	18,488	13,009	13,009	
Voluntary savers functional	1	women	Number	52,579	30,883	42,828	39,732	39,732	
Value added to voluntary savings	1		USD***	3,094,891	318,172	358,832	347,124	1,390,259	
Value reached of voluntary savings	1		USD***	3,094,891	684,303	1,043,135	1,390,259	1,390,259	
Active borrowers (from credit fund)	1	men	Number	20,800	5,506	3,686	1,414	1,414	
Active borrowers (from credit fund)	1	women	Number	31,200	10,380	8,143	3,637	3,637	

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Indicator	Level	Multiplier	Unit	Appraisal target	FY 07/8 Actual	FY 08/9 Actual	FY 09/10 Actual	Cumulative Achievement to date	NOTES FOR INTERPRETING DATA
Value of gross loan portfolio (from credit fund)	1		USD***	N/A	927,910	414,660.	304,318	304,318	
Effectiveness of savings and credit groups	2		Rating						
- evidence of effectiveness - average loan outstanding per member			Taka				774		
Likelihood of sustainability of saving and credit groups	2		Rating				2	N/A	Rating 2 = unsatisfactory
- evidence of sustainability - % of groups graduated			Number	100%	0	2.8%	33%	0	
						2	4		Rating of 4 = moderately satisfactory
Roads built	1		km	220	35	37	51	213	
Multipurpose Village Center (MVC) built	1		Number	53	0	1	1	27	
Tube-well installed	1		Number	3,000	538	600	360	2,480	
Latrine installed	1		Number	70,000	13,656	15,784	10,252	65,095	
Effectiveness of rural infrastructure	2		Rating				6		Rating = 6 highly satisfactory
- evidence of effectiveness - % of people say get benefits from roads			% people				90%		
Likelihood of sustainability of infrastructural development	2		Rating				5	N/A	Rating 5 = satisfactory
- evidence of sustainability - infrastructure in operation 3 years after construction			km roads		22	55	90		
People trained in improved technologies and crop production	1	men	Number	16,750	5,383	4,213	2,323	17,167	
People trained in improved technologies and crop production	1	women	Number	16,750	13,119	15,868	10,631	48,347	
Effectiveness of improved technologies and crop production	2		Rating						
- evidence of effectiveness - % of people say yields increased			% people						
Likelihood of sustainability of improved technology and crop production	2		Rating				4	N/A	Rating of 4 = moderately satisfactory
- evidence of sustainability - % of people adopting technologies			% people						
Groups received project services	1		Number	3,000	641	658	506	2968	
Individuals received project services*	1	men	Number	37,421	4,975	3,468	3,024	24,804	
Individuals received project services*	1	women	Number	52,579	13,504	14,710	12,130	60,247	

* This number is the same number as the number of savers (men and women)

** Beel is called ponds in the RIMS guidelines

***1USD = 68.50 BDT

Appendix 7: KNOWLEDGE MANAGEMENT, LEARNING AND INNOVATION

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

The project has had good success in disseminating rabi crops, particularly mustard, amongst farmers. These crops have been adopted by most farmers in villages where the project is working. Its success can be attributed to: (i) the availability of fallow land after floods recede but prior to the planting of the boro rice crop; (ii) adaptive research trials carried out by the project to identify suitable varieties; and (iii) providing a significant number of farmers with seed of improved varieties, which created a visible impact.

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

At the planning stage of the project it was anticipated that the major area for agricultural innovation would be in finding ways of planting boro paddy (the main food crop in the area) earlier so that it would mature before there is a risk of flash floods. The use of paddy seed beds protected by plastic tunnels was suggested. However the problem of cold damage is after transplanting rather than in the seedbed. The project has carried out PVS with a number of shorter duration boro varieties, but these have not been preferred by farmers over their current varieties as their yield is lower, and some types are prone to shattering. The project still needs to work with research institutes to find a variety that is cold-tolerant.

Innovation: Describe any interesting innovation noted during supervision

The major innovation in the project has been the construction of rural roads using concrete blocks. Although roads made with concrete blocks may not have the riding qualities of RCC roads, and may need more minor maintenance of the shoulders, they are easily repairable if they suffer catastrophic wash-outs during floods, and are also more suitable for construction by community groups with high levels of participation by women.

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

Although concrete block technology is now well accepted by the project and the communities it serves in Sunamganj, there is some way to go before other road engineers are convinced. The involvement of BUET in evaluating the technical and economic performance of these roads will provide a valuable stamp of approval from an agency with a high level of credibility in Bangladesh. BUET are also suggesting that the configuration of blocks might be changed to improve the stability of the road and/or reduce its cost. Use of concrete for roads has only been widely adopted in north-eastern Bangladesh close to the Indian border where stone is available. Elsewhere the cost of transport means that brick chips are a lower cost substitute. Making concrete blocks from brick chips is an option that has not yet been tried, but could make this technology more widely applicable in other parts of Bangladesh.

Appendix 8: AUDIT LOG

Table of Summary of Audit Observations

SL No	Financial Year	Audit observations as per Audit Report		Audit observations Settled		Audit observations Outstanding	
1	2002-03	5	4,605,667	5	4,605,667	0	-
2	2003-04	4	9,213,000	4	9,213,000	0	-
3	2004-05	5	40,288,920	5	40,288,920	0	-
4	2005-06	4	3,416,669	4	3,416,669	0	-
5	2006-07	6	55,365,998	6	55,365,998	0	-
6	2007-08	6	6,119,626	6	2,036,626	0	-
7	2008-09	8	11,941,995	0	-	8	11,941,995
	Total	38	130,951,875	30	114,926,880	8	11,941,995

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Sl. no.	Financial year	Class: Serious/ general	Audit Reference	Audit observation	Total Amount per Observation (BDT)	Action taken by the project /PMU(Reply of para wise)	Present status (Auditors Validation Result)	Total amount not settled/ Outstanding (BDT)
1	2	3	4	5	6	7	8	9
1	:m2-2003	Serious	Pb-1A-1	Excessive expenditure of Tk. 706,852 was incurred in excess over the provision of PP	706,852	Regularized the expenditure and reverse the PP accordingly. Under million Taka audit. PP will be revised after MTR.	Settled	
2	:m2-2003	General	Pb-1A-2	Revenue loss of Tk. 228,000 was incurred in excess (over the provision of PP)	228,000	The amount in question should be realized from the person(s) responsible and provided file same in the GAWI account under litigation to audit	Settled	
3	:m2-2003	General	Pb-1B-3	Unjustified expenditure of Tk. 99,042 for repairing of (lit) equipment.	99,042	Repair was given to FAPAD.	Settled	
4	:m2-2003	General	Pb-1B-4	Non-compliance of procurement guideline for Consultant services in relation to Tk. 2410(h)	2,400,000	The matter was may be escalated by the competent.	Settled	
5	:m2-2003	General	Pb-1B-5	Violation of financial discipline for making excess payment of Tk. 1170,800 from GAWI fund.	1,171,800	Amount should be adjusted as per good book laid down in OCA	Settled	
			Sub Total		4,605,667			
6	:j3-:ro4	Serious	Pb-1A-1	Expenditure incurred in excess over the provision of PP Tk. 764 lakh	764,000	Original budget was not reasonable. The PP will be revised after MTR	Settled	
7	:j3-:ro4	General	Pb-1A-1	Revenue loss due to non-payment of VAT and non-depositing of bank interest to Govt. A/C. Tk. 0921 lakh	92,000	Immediate steps should be taken to recover the VAT amount deposited the VAT & opened bank interest to the proper head of account under litigation of audit	Settled	
8	:j3-:ro4	General	Pb-1A-1	Violation of financial discipline for purchase of vehicle valued Tk. 4750 lakh in the year 2004	4,750,000	Tender was called twice: announced in Day news paper	Settled	
9	:j3-:ro4	General	Pb-1A-1	Violation of financial discipline for purchase of vehicle valued Tk. 36.07 lakh as expenditure in the financial statement	3,607,000	The FS was concerned with the actual expenditure and closing balance thereof under litigation to audit	Settled	
			Sub Total		9,213,000			
10	2004-:ro5	Serious	Pb-1A-01	Loss of Govt. revenue Tk. 1047920.00 due to not depositing accrued bank interest realized IT/VAT and essential non-realization of IT from the suppliers	1,047,920	IT & VAT and other govt revenue collected accordingly during payment time. But the officials of FAPAD did not accept the photocopy of Chalan, No. Nil and other original copies are collected from the office and submitted to FAPAD for settling the dues	Settled	
11	:j3-:ro5	General	Pb-1B-01	Non-submission of audit office records and documents in 00111 Tk. :00.48 lakh.	30,948,000	Original work permit was carried out from the Executive Engineer office. Smartly. But the officials of FAPAD did not accept the photocopy of Bill No. and other original documents collected from the office and submitted to FAPAD for settling the dues	Settled	
12	:j3-:ro5	General	Pb-1B-02	Loss of Tk. 579400.00 for maintenance of excess payment beyond year wise provision of object	5,794,000	was not actually the excess payment was over the year in the PP provision. The payment was made within PP & Civil work category allocation. was explained to FAPAD	Settled	
13	2004-:ro5	General	Pb-1B-03	Illegal payment of Tk. 120,000 made as advance against the receipt of the account	1,11,000	Under a contract with Upazila parishad the rent of Taherpur Upazila SCBRMP Office was made by this title the advance was regularized through the rent under provision of rent contract.	Settled	
14	2004-:ro5	General	Pb-1B-04	Non-adjustment of advance payment of Tk. 23791 lakh for micro finance	2,379,000	Under SLA with BKB the amount was paid to BKB for running the Micro finance activity of the project. More than the advanced money was disbursed to the community. Document submitted to settle the objection.	Settled	
			Sub Total		40,289,920			000

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1	2	3	4	5	6	7	8	9
15	2005-06	General	PaB-01	Procurement of Beet Management Beet Board and BMC signboard for TK.323070J- 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 open tender in the wide circulated national newspaper.	323,070	Signboard for Village protection wall multipurpose village development centers BMC, approach roads and the jalmuktals as well as beets 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 signboard for 29 roads quotation was invited on 21-11-2006. The quoted price was Tk. 166,837/- two quotations the amount of price was (156,233 + 166,837) = Tk. 323,070.00. As per provision of PPR-2003 any purchase of procurement up to Tk. 20,000/- is permissible. Accordingly, the work in question was implemented.	Settled	0
16	2005-06	General	Pa B-02	Revenue Loss for non derosting accrued bank interest Tk.239449/- in to G/M Account	239449.00	Janala Bank, Sunamganj Branch at branch deposited Tk.239449/- of the bank interest in the SCBRMP operating A/C No STD-28. After deduction of Tk.128641/- as service charge and source tax the rest amount of Tk.226585 was deposited to the god treasury through treasury challan.	Settled	0
17	2005-06	General	Pa B-03	Regular payment made to file contractor amounting Tk.862995/- against bill work with-out obtaining completion certificate. The Project Officer could not produce contractors, work plan, work progress, site work book to Audit Treasury. Chances of realized road roller hire charge Tk.111X/- Lab test fees Tk. 259000/- total Tk.27700 could not be produced to audit.	862995	The construction work of village development cum roads from Radha Nagar of Sunamganj Sadar Upazila to Lalpur Primary School was completed on 23/05/2005. The concerned Engineer certified the MB and gave the work completion certificate at the time of making payment of the bill. The very certificate was produced to the audit from Sunamganj Executive Engineer Office. Amount of Tk. 1500/- Tk. 259,000/- was realized against the road roller hire charge and the lab test respectively and the realized amount was deposited in the government treasury through treasury challan. The challan was produced to the audit 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 deposited and deposited to the government treasury. FAPAD is requested to settle the audit objection.	Settled	0.00
18	2005-06	General	PaB-04	22 groups of work were awarded to 22 contractors at a total Tk.1791115.30. But 100% not realized from the above mentioned contractors which was violation of reg-36(2) PPR - 2003	1,991,155	Performance Security at 100% in the form of pay order / bank draft from Piliat Bank, Sunamganj branch was issued in favour of XEN LGED, Sunamganj for implementation of all physical infrastructure works in different Upazilas of Sunamganj under the project. Since the civil works are implemented by XEN LGED, Sunamganj, the performance security was realized by XEN Office and deposited to the bank. FAPAD is requested to settle the audit objection.	Settled	000
			Sub-Total		3,416,669			0

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1	2	3	4	5	6	7	8	9
19	2006-07	General	4621S2FAPAD1 FAD/2006- 071185, 31.12.2007	Title Tk. 21911 lakh claimed for reimbursement not consistent with the PP provision. I was seen from document related to SoE that 21910734.00 was claimed through Withdrawing Application (JA) no 18,19,22 & 24 against expenditure incurred for village protection work (Category 1 of LA). Details are shown in Annex-B. As per cost sharing table of PP (Appendix 11 of PP), it was provided that no RPA amount was provided for village protection work, but if 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.	21,910,734	The reimbursement through SoE was claimed as per loan agreement between goB & FAD under Civil work & Earth work category (none)	Settled	
20	2006-07	General	4621S2FAPAD1 FAD/2006- 071185, 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 2005-2007. 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 a violation of PP provision.	6247,000	This issue already adjusted in the revised pp.	Settled	
21	2006-07	General	4621S2FAPAD1 FAD/2006- 071185, 31.12.2007	Title Procurement made through split in successive small packages to 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 small packages to avoid a particular procurement method. Details are shown in Annex-A. It is a violation of (5) of Regulation 16 of PPR 2003.		As per requirement of the communication the document was printed time to time	Settled	
22	2006-07	General	4621S2FAPAD1 FAD/2006- 071185, 31.12.2007	Title Beneficiaries of the project did not get maximum benefit for disbursement of credit. Tk. 63.40 lakh was seen from Micro Credit account that initial deposit of Tk. 36.60 lakh was placed in BKB (the Credit Account) on 27.12.03. As per Section 3.02 of Subsidized Loan Agreement (SLA) made between GOB & BKB signed on 13.08.2003, an amount of Tk. 3(3).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 placed 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 in BKB's Account as initial deposit for credit program resulting interest was less accrued in the credit program as well as less amount (Credit) was available for disbursement to the beneficiaries.	6,340,000	The disbursement provision was kept in the said FY the initial deposit was less than the amount. At the end of phase 1 it was adjusted.	Settled	

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1	2	3	4	5	6	7	8	9
23	2006-07	General	4621S2FAPAD1 FAD/2006- 0711\$5, 31.12.2007	Title Tk. 91.30 lakh less reimbursement claimed through Withdrawal Application No. 17 appeared on SoE and related documents. The local authority claimed Tk. 12231791.00 in its lead file Tk. 21362166.00 for reimbursement under Category no 1 on the basis of SoE. The Withdrawal Application no. was 17 dated 28.08.2006. As a result Tk. 9130,375.00 was less claimed as under	9,130,375	Reimbursement was claimed under the provision in the Loan agreement. Supporting documents will be supplied.	Settled	
24	2006-07	General	4621S2FAPAD1 FAD/2006- 0711\$5, 31.12.2007	Title Exchange gain amounting to Tk. 117.38 lakh not disclosed in the Financial Statement. It was seen from Financial Statement that an amount of Tk. 117,378,889.00 was not disclosed as separate exchange gain under resources of the project during FY 2006-07. On detailed scrutiny of Withdrawal Applications along with bank statement of Special Account it revealed that the authority claimed for replenishment adopting an artificial exchange rate. A huge amount was credited in the Special Account as exchange gain due to calculation 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 net of artificial exchange rate. It leads to the financial position of the Project for not disclosing the exchange gain separately as resources in the Financial Statement.	11,737,813	We will conduct a detailed study on the comments and will re-evaluate the issue if false.	Settled	
				Sub-Total	55,303,004			9
25	2007-08	General	NO:391S- 21FAPAD1FAD/2 007-08&2SD-e, 31.12.2008	Financial Statement Misstated by TK 40.83 Lac While conducting audit in the office of the PO CBRMP LGED Chitlaka, it was observed from Project Financial Statement of Bangladesh Krishi Bank (BKB) that as per subsidiary (Joint) agreement between BKB and Project Authority under section 4.05 (v) the 100k of service charge/interest earned from credit organization (CO) (Joint) the bank will credit 6.5% in a separate interest bearing project account in BKB. Out of 10% and the project will maintain in the account. But in this case project authority did not maintain any account and thus amount did not reflect in financial statement. On detailed scrutiny it was seen from monthly credit statement February 2007-2008 project certain interest were earned amounting to Tk. 40.83 lakh	4,083,000	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	Selled	0
26	2007-08	General	NO:391S- 21FAPAD1FAD/2 007-08&2SD-e, 31.12.2008	Less deduction of TK. 45,141.00 as security deposit In the office of the PO LGED Sunamganj, that the project authority paid an amount of Tk. 9,11,607.00 to Mr. D. K. Kanli Dey for construction of Rangamaj CBRMP road to Radhaniljar Vagrade bill No. 00 dated 14.05.2008. 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 contract till	45,141	Less deduction of SO is mistake. It will be recovered from the contractor	Selled	0

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27	2007-08	General	NOS/39/S- 2/FAPAC/IFAD/2 007-08/230a/3, 31.12.2003	Accrued Bank interest for 11.14,57,756.00 was not deposited into Govt. account in the office of the Project Director Community Based Resource Management Project LGED, Chaka and XEN, LGED Sunamganj. It was seen from respective Bank Statement that an amount of Tk 14,00,006.00 was accrued as Bank interest. In the name of the Project Director Community Based Resource Management Project LGED, Chaka and XEN, LGED Sunamganj, it was seen from respective Bank Statement that an amount of Tk. 14,30,000.00 was accrued as Bank interest.	1,457,756	Project Bank account interest amount will be deposited soon after getting the report from service charge from project operating account of (Jameed Janala Bank & Sunamganj, branch TK 379550. And XEN LGED, Sunamganj office TK 1078205	Settled	
28	2007-08	General	NOS/39/S- 2/FAPAC/IFAD/2 007-08/230a/3, 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 the test fee from the contractors bill an amount of Tk. 4,15,300.00. The same should be deposited into Govt. account. But the local authority did not provide any evidence depicting the amount into Govt. account till audit.	415,800	The said amount will be deposited into Govt. account immediately.	Settled	
29	2007-08	General	NOS/39/S- 2/FAPAC/IFAD/2 007-08/230a/3, 31.12.2008	Farlited 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 lender bill that, work order & the regarding construction work etc. that the local authority work awarded to M/S Babul Arkayasta for construction of Armarpur Badaafital road extension road side work order No. 3-363/dl. 13.12.07. The contractor failed to furnish the performance security within 14 days in accordance with ITT clause-32. This is why the local authority cancelled his tender and asked lender security amounting to Tk. 30,000.00 (Vide letter No. 719/dl. 25.02.03) B. J. The same was not deposited into Govt. account.	30,000	The said amount will be deposited into Govt. account immediately.	Settled	
30	2007-08	General	NOS/39/S- 2/FAPAC/IFAD/2 007-08/230a/3, LGED, Chaka 31.12.2003	Loss of Govt. revenue amounting to Tk. 37,929.00 due to non-declaration of VAT and IT from the contractor in the office of the Project Director Community Based Resource Management Project, LGED, Chaka. It was observed from bill voucher and other related documents that Project authority did not deduct VAT and IT from the different sub-contractor bill amounting to Tk. 37,929.00	37,929	The said amount will be rectified and deposited into Govt. account immediately.	Settled	
					6,119,632			
31	2003-09	General	NOS/37/S- 2/FAPAC/IFAD/2 003-09/40a/3, 31.12.2009	This is loss of Govt. revenue amounting to Tk. 1134143/- 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 2003-2009. Tender documents, Contract agreement, Progress report and other related records were examined. It was seen that the contractor had provided the documents of insurance policy and certificates in the joint name of the employer and the contractor by covering the risk of loss and damages as mentioned in G.C.C clause 15, section-3. General condition in the contract as per CPTU PW2 STD 2000 PPR-2008 rule 4 (3) (TA) before starts the work. But the local authority did not comply with the agreed clause in the contract. Resulting a bill Tk 1134143/- has sustained as revenue loss (insurance premium X 15% VAT) by the Govt.	1,134,143	Since Jamgori is the most remote area (rural area) in this area the contractor is very lower class. They have no ability to pay the insurance premium.	Under process	1,134,143

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1 32	2008-09	General	NO:877/S- 2/FAPAOJFAD2 OOS-ro'240a1e, 31.12.2009	<p>Undertaken damage of Tk. 950461.00 was not imposed on 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 contractor's application that there were no submission date, no receipted diary number but the concerned official recommended 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 i.e. PD. It is to be noted that XEN is empowered to extend initially 20% of the contract period. 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 for extension of the stipulated time. But liquidated damages of Tk. 950461.00 were not imposed against the contractor.</p>	60,461	Sunamganj is the most remote area. There are few contractors. Most of the time the road works are not working period is very short. This is why liquidated damage was not charged.	Under process	95M31
33	2008-09	General	NO:877/S- 2/FAPAOJFAD2 OOS-ro'240a1e, 31.12.2009	<p>Tender security amounting to Tk. 4,00,000 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 2003-2009. Standard tender document, 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 contractor failed to provide performance security as required in condition of tender and PPR-2003. It is a violation of ITT clause 30, 31 & 32 of CPTU Part II 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.</p>	4,00,000	The contractor failed to provide performance security and it was accepted by XEN.	Under process	4,00,000
34	2008-09	General	NO:877/S- 2/FAPAOJFAD2 OOS-09'240a1e, 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. Standard Tender documents, Contract agreement, Work file, Paper cutting, Notification of award and other related records were examined. It was observed that expiry of tender period was on 13.01.2009 but it was not extended. It is a violation of rule 19.20 & 21 of PPR-2003 and ITT clause 15 of CPTU Part II STD. As a result, regular contract was signed amounting to Tk. 1,29,75,556.00 on 25.06.2009 after 6 (six) months on expiry of tender period.</p>		The contractor failed to provide performance security and it was accepted by XEN.	Under process	
35	2008-09	General	NO:877/S- 2/FAPAOJFAD2 OOS-09'240a1e, 31.12.2009	<p>Audit was conducted in the office of the Project Director, Community Based Resource Management Project (CBRMP) during the financial year 2003-2009. Cash book, bill voucher and other related records were examined. It was observed that project authority did not deduct VAT from the different suppliers till amounting to Tk. 5,14,129.00.</p>	514,129	The claimed amount was recovered and deposited to GOIT account.	Under process	514,129

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1	2003-09	General	NO:577/S. 2/FAPAD/FAO/091240cte. 31.12.2009	Hie Tender evaluation, approval and contract agreement was made by vide #J cooditJn of standard Ender documents. Alilil was conducEd in ■ office of file XEN, LGED, Sunamganj under the project of the Community Based Resource Management Project (CBRMP) during the FY 2008-2009. Terer notice, Standard tender documents, Tender evaluation report, supporting documents, Estimate, Contract agreement and other related records were examined. It was found that the package was split into 19 lots and the name of the road was Sulaiman to Protapur G.C. road (ch. 400m50m); tender notice no. 412CK/3-09 dt. 06.08.2009. In this case, MIS Mobarok 1-lissail participated for 19 lots and he was the only participant for all lots where estimated cost was Tk. 2,00,72,12Q. 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 one (1) tender for each lot (Package) either individually or jointly. On the other hand, materials should be tested before use of work from local LGED laboratory. Quality control in these cases 2% lab test fees were 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 grant) 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.		According to XEN reply it was maintained all the process properly.	Under process	
37	2003-09	General	NO:577/S. 2/FAPAD/FAO/091240cte. 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. Proffers 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. 1000.00 (sample), MB, Contract Agreement, Quoted estimate, bill of material and other related records were examined. It was found that payment was made amounting to Tk. 2,49,36,271/- but the actual LCS for construction of road by installation of concrete block from dtf;renl upazila, district Sirajganj. In this case, earth work in box-cutting item code no. (3.1.02) and sand filling (item code no. 3.1.00.02) by appropriate mechanical compaction. So, roller shotid 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. 10.00. It was found that during the unit rate analysis 01 the other hand, materials should be tested before use of work from local LGED laboratory quality control. In these cases 2% lab test fees were 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 grant) 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.	910,660	The saying work was done by LCS. So roller charge and lab test was not deducted from bill.		910,660

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1	2	3	4	5	6	7	8	9
35	00S-09	General	NOS77/S- 2/FAPAD FAC12 00S-09/24Date, 31 12:00S	Since the total amount of each package was above 1 crore So it was a violation of 00(2) (zha) PPRL(X) so 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 5(1) & (8) of PPR-2008, member from outside of the ministry was not included in TEC for Wo 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. S. Md. Motrin was the Project Director during the period.	3,032,597	In the PPR 2008 11-type can approve the work in small lot in consequence of local condition. The said observation was pre approved by HOPE.	Under process	8,032,597
					11,941,995			11,941,995
				Grand Total	130,951,887			18

Appendix 9: MISSION PROGRAMME AND PERSONS MET

Date & day	Mission personnel	Programme	Place
23.05.2010 to 28.05.2010	Fisheries Specialist	Field work in Sunamganj with visits to community fisheries	Sunamganj district
06.06.2010 to 10.06.2010	Fisheries Specialist	Field work in Sunamganj with visits to community fisheries	Sunamganj district
12.06.2010 to 19.06.2010	Gender Specialist	Field work in Sunamganj with FGD with project groups	Sunamganj district
11.07.2010 Sunday	Mission Leader, Infrastructure Specialist, Fisheries Specialist	Travel to Sunamganj	
		Project short brief by Project Director, CBRMP & programme finalization	PMU, CBRMP
12.07.2010 Monday	Mission Leader, Infrastructure Specialist, Fisheries Specialist	<ul style="list-style-type: none"> Visiting Bagmara local market, built by SOUHARDO (CARE/ASD) and discussion with Market Committee Visiting Block Road, Trumroad to Beroshing Govt. Primary School, and discussion with LCS 	Bangla Bazar union, Dowarabazar Upazila Dowarabazar Sadar union
13.07.2010 Tuesday	Mission Leader, Fisheries Specialist	<ul style="list-style-type: none"> Discussion with UP Chairman, Member & Secretary at Aftabnagar Union in Sunamgonj Sadar upazila Discussion with UP Chairman, Member & Secretary at Polash Union in Biswambarpur upazila Visiting RCC & CC Block Road (Gojaria Nodi Connecting Road – Monipuri Ghat to Chalbond point via Badhertek Bazar) SHE software presentation Discussion with Regional Manager, BKB, Sunamganj 	Aftabnagar UP, Sadar upazila Polash UP Biswambarpur upazila Solukabad union Biswambarpur PMU, CBRMP PMU, CBRMP
	Infrastructure Specialist,	<ul style="list-style-type: none"> Visiting LCS constructed Block Road (Kadomtoli to Kadomtoli Govt Primary School) Visiting LCS constructed Block Road (Kallyani Govt Primary School to Hasimpur High School) Visiting Contractor constructed Block Road (Derai Sulla Main Road to Sukurnagar village) Visiting Contractor constructed Block Road Ghagitia Main Road to Chitolia Ferighat) Visiting LCS constructed Block Road (Derai Main Road to Narayanpur Choto Beel) 	Rajanagar union Derai upazila Sarmongal union Derai upazila Sarmongal union Derai upazila Sarmongal union Derai upazila Mohanpur union Sunamgonj Sadar upazila
	Agricultural Specialist	<ul style="list-style-type: none"> Travel to Sunamganj 	
14.07.2010 Wednesday	Mission Leader, Agricultural Specialist	<ul style="list-style-type: none"> Focus Group Discussion (FGD) at Chandpur village on Agriculture and Livestock & visited calf bred of bull supplied by project FGD at Kamlabaj village about Agriculture and Livestock & visited broiler farm FGD at Mannar Ghat with Tomato farmers. 	Jamalganj Sadar union Jamalganj upazila
	Infrastructure Specialist	<ul style="list-style-type: none"> Visiting LCS constructed Block Road (from Lambabak village CBRMP RCC Road to Kalipur village via Sadar Kandi village) Visiting contractor constructed RCC roads: Construction of Uttar Kamlabaj Puccar Matha to Siddique's house village RCC Road Chanpur village via Harun Mkt to Chanpur River Ghat Chanpur (Harun) Market - discussion with businessman (shop owner in Harun Market) 	Jamalganj Sadar union Jamalganj upazila

Date & day	Mission personnel	Programme	Place
	Fisheries Specialist	<ul style="list-style-type: none"> Discussion with project fisheries staff 	PMU, SCBRMP
	Mission Leader, Infrastructure Specialist	<ul style="list-style-type: none"> Meeting with DPHE staff and LGED XEN on arsenic contamination of drinking water 	LGED XEN office, Sunamganj
15.07.2010 Thursday	Mission Leader, Infrastructure Specialist, Fisheries Specialist, Agricultural Specialist	<ul style="list-style-type: none"> Previous mission recommendations update, conducted by Mr Edward Mallorie Sharing on road impact study: by Mr Edward Mallorie Discussion with SMS (Ag & LS), conducted by Dr. Nowsher, PR Mission Member Mission observations (attended by Mr Ashraf ul Haque, LGED SE, Sylhet) Infrastructure, by Mr. Khalillur Rahman Fisheries sector, by Mr Apu Agriculture sector, by Dr. Nowsher General by Mr. Edward Mallorie Project Director, CBRMP presented project staff restructuring plan during this session. 	PMU, CBRMP
16.07.2010 Friday	Mission Leader, Infrastructure Specialist, Fisheries Specialist	<ul style="list-style-type: none"> Return to Dhaka 	
	Agricultural Specialist	<ul style="list-style-type: none"> Discussion with project staff on agricultural activities 	Sunamganj
17.07.2010 Saturday	Mission Leader, Infrastructure Specialist, Fisheries Specialist	<ul style="list-style-type: none"> Start to draft mission reports 	Dhaka
20.07.2010	Mission Leader	<ul style="list-style-type: none"> Discussions with PMU on project data and future plans 	PMU, Dhaka
		<ul style="list-style-type: none"> Meetings with Md Mukter Hussain, Managing Director BKB, and Masud Ahmed Khan, General Manager BKB 	BKB Head Office, Dhaka
21.07.2010	Mission Leader, Fisheries Specialist	<ul style="list-style-type: none"> Briefing by WFC on results of fish catch monitoring and BUG livelihood survey 	WFC office Dhaka
		<ul style="list-style-type: none"> Discussions with PMU 	PMU, Dhaka
24.07.2010	Financial Specialist	<ul style="list-style-type: none"> Arrive in Dhaka 	
25.07.2010	Financial Specialist	<ul style="list-style-type: none"> Review of project accounts 	PMU, Dhaka
	IFAD CPM, Legal Counsel & Loan Officer	<ul style="list-style-type: none"> Arrive in Dhaka 	
	Financial Specialist	<ul style="list-style-type: none"> Review of project accounts 	PMU, Dhaka
26.07.2010 Monday	IFAD CPM, Legal Counsel & Loan Officer	<ul style="list-style-type: none"> Travel to Sunamganj Meeting PMU officials, finalization of next day's programme, overview of Project activities 	PMU, Sunamganj
	Financial Specialist	<ul style="list-style-type: none"> Review of project accounts 	PMU, Dhaka
27.07.2010 Tuesday	IFAD CPM, Legal Counsel & Loan Officer	<ul style="list-style-type: none"> Visit Abua Nadi BUG Observing Gajaria Nadi BUG election process Observing construction of Gozaria Nodhi beel connecting block /RCC road. Graduated COs: Jahangirnagar MCO & Khagargaon FCO 	Fatepur Union, Biswambarpur Gaurarang Union, Sadar upazila Solukabad Union, Biswambarpur Jahangirnagar union, Sadar upazila
	Financial Specialist Mission Leader	<ul style="list-style-type: none"> Review of project accounts Budgets for phase 3 	PMU, Dhaka

Date & day	Mission personnel	Programme	Place
28.07.2010 Wednesday	IFAD CPM, Legal Counsel & Loan Officer	<ul style="list-style-type: none"> • Sluice gate to Bastola and Jumgaon LCS block road • Jujube-Guava and Orange garden visit • Jumgaon MCO & FCO (adivasi community) • Observing BUG election (conclusion): • Tadala Huglia Chatol BUG election 	Banglabazaar Union, Dowerabazar Upazila Joykalah UP office South Sunamganj
	Financial Specialist Mission Leader	<ul style="list-style-type: none"> • Review of project accounts • Budgets for phase 3, draft Aide Memoire 	Dhaka
29.07.2010 Thursday	IFAD CPM, Legal Counsel & Loan Officer	Debriefing at PMU Travel back from Sunamganj to Dhaka	PMU, Sunamganj
	IFAD CPM, Legal Counsel & Loan Officer Financial Specialist, Mission Leader	Discussion with PMU on financial issues	PMU, Dhaka
	IFAD CPM, Mission Leader	Presentation by BUET team of interim findings of technical and economic studies on block roads	BUET Dhaka
	IFAD CPM, Legal Counsel, Loan Officer, Financial Specialist Mission Leader	Meeting with Mr Wahidur Rahman, Chief Engineer, LGED	Dhaka
Sunday 01.08.2010	All mission members	Wrap-up meeting at MLGRD&C chaired by Mr. Abdul Malek, Joint Secretary (Development) , Local Government Division, MLGRD&C	MLGRD&C headquarters

List of participants of the wrap-up meeting held on 01.08.2010

Sl. No.	Name of participants	Designation
1	Mr. Abdul Malek (Chairman)	Joint Secretary (Development) , LGD, MLGRD&C
2	Md. Wahidur Rahman	Chief Engineer, LGED
3	Md. Anwar Hossain Howlader	D.S, LGD
4	Md. Shamsul Karim Bhuiyan	Joint Chief, LGD
5	Md. Malek Neaz	DGM, PPD, BKB
6	Md. Ali Akbar	SAS, LGD
7	Md. Azharul Islam	Director, Planning-1, BWAB
8	Shaheed Iqbal	Superintending Engineer, DPHE
9	Golam Sarwar Howlader	Assistant Chief, Economic Relations Division
10	Mostafa Kamal	Senior Assistant Chief, Ministry of Environment and Forest
11	Md. Al Amin Sarker	Senior Assistant Chief, Ministry of Agricultural
12	Sk. Shaiful Islam	Deputy Chief, DAE
13	Syed Ali Azher	Assistant Director, Department of Fisheries
14	Michael A Roy	Management Consultant, SCBRMP, LGED
15	Md. Ansar Ali Khan	Deputy Secretary (Dev), LGD
16	Faith Kamal	Legal Counsel, IFAD
17	Edward Mallorie	Mission Leader, IFAD
18	Nigel Brett	CPM, IFAD
19	Sk. Md. Mohsin	Project Director, SCBRMP, LGED
20	Afroza Moazzam	Deputy Chief, Ministry of Land
21	Hashibul Alam	IFAD Field Presence Officer
22	Md. Tazul Islam	MES, SCBRMP, LGED
23	Mustafizur Rahman	Officer, Personnel Admin, SCBRMP, LGED

Annex I: Review of community mobilisation and micro-finance

This information has been taken from the project Annual Progress Report for 2009/10 together with micro-finance data for June 2010.

Table 1: Overall status of COs and microfinance

		Indicators	Project target	Reporting year 2009-2010			Cumulative total	
				Target	Achieved	%	Achieved	%
1	Community Organizations (COs)	Total CO formed	3000	500	506	101	2968	100
		male CO	1200	143	100	69	847	95
		female CO	1800	357	406	114	2121	102
		Members enrolled	90000	18794	15154	81	85051	92
		Male	37421	5245	3024	58	24804	85
		Female	52579	13549	12130	90	60247	95
		Total CO graduated	3000	1227	921	75	989	33
		Members graduated	90000	29776	21321	72	23145	26
		Existing CO					1974	
		Current members					52741	
2	Savings mobilized by CO members	Total savings in LTk.	2120.00	269.00	237.78	88	952.33	102
		Net savings in LTk.					501.92	
3	Group funds	Total balance L Tk					520.57	
4	Loans provided to CO members from CO Savings Funds	Total amount in LTk.	1060.00	396.00	269.61	68	1023.23	89
		male in LTk.	450.00	123.10	48.11	44	341.76	82
		female in LTk.	610.00	272.90	221.49	77	681.47	93
		Total members taking loans	15000	4781	5360	112	16657	104
		Total amount outstanding L Tk					199.52	
		of which matured overdue L Tk					43.36	
		Members with running loans					8401	
		Members with MOD					1600	
5	Loans provided from Project Credit Line through BKB	Total amount in LTk.	5700.00	76.00	42.15	55	2270.57	99
		male in L Tk	2280.00	27.00	7.89	29	732.24	97
		female in L Tk.	3420.00	49.00	34.26	70	1538.33	99
		Total members taken loans	52000	1131	377	33	23960	97
		Total amount outstanding L Tk					208.46	
		of which matured overdue L Tk					172.72	
		Members with running loans					5051	
		COs with running loans					632	
		Members with MOD					4045	
5	CO accounts audited	Audit	19747	2864	2554	89	6597	98
		CO	3000	2794	2484	89	2738	90

In 2009/10 506 new COs were formed with 15,154 members, making a total of 2,968 COs with 85,051 members. The project has now virtually reached its target of 3,000 COs with 90,000 members, and group formation can now cease.

CO graduation: The project has done well in graduating one third of its COs, leaving 1974 CO with 52,741 members being actively supported by the project as of the end of June 2010. Progress and future plans for graduation are shown in Table 2. The project is carefully recording the status of each CO at graduation including the amounts distributed to each member. This recording should continue. The PMU has also conducted a useful survey of graduated groups. This survey only needs to be repeated once more before the end of Phase 3.

Table 2: CO Graduation plan

Sl. #	Upazila	CO formation(nos.)			CO dropped out (nos.)	Graduation Plan (nos.)						
		Up to June'10 (actual)	2010-11	Total		2008-09 (actual)	2009-10 (actual)	2010-11	2011-12	2012-13	2013-14	Total
1	Sunamganj Sadar	425	0	425	0	21	308	96	0	0	0	425
2	South Sunamganj	376	0	376	3	29	260	84	0	0	0	373
3	Bishwambarpur	422	0	422	0	18	277	127	0	0	0	422
4	Jamalganj	385	0	385	0	0	50	240	95	0	0	385
5	Taherpur	330	20	350	0	0	26	161	92	71	0	350
6	Derai	289	50	339	0	0	0	50	162	127	0	339
7	Dawarabazar	267	60	327	1	0	0	20	138	168	0	326
8	Sulla	221	25	246	1	0	0	30	123	92	0	245
9	Darmpasha	253	60	313	0	0	0	20	138	155	0	313
	Total	2968	215	3183	5	68	921	828	748	613	0	3178

Microfinance activities have so far reached the outreach of 40617 members through 2068 COs. However with the graduation of many COs, growth in savings and lending activities has come to a halt. As of June 2010, 8410 members (16% of the total of 52,741 members) had loans from savings and 5051 members (10% of the total) had loans from BKB funds. Use of the BKB credit line is also declining as this fund is not being utilized in the three newer upazilas. Loan repayment performance is still not good, with significant amounts of matured overdue (MOD) loans accumulating.

Internal audit: the project has done a good job in carrying out another internal audit of 2014 COs in January and February 2010. Key findings included:

- CO performance in terms of maintaining books and records independently has improved. More than 51% of CO were able to maintain their books and records properly.
- Meetings: 63% of COs are able to conduct meetings independently. Meeting attendance has improved. 44% COs were with above 90% attendance.
- 91% of savings was deposited in bank accounts on time. Total cash in hand was Tk. 32.23 lac with 1348 COs. In 616 COs cash in hand was between Tk1200 and Tk5000. In 166 COs it was above Tk 5000. The following major reasons were found related to cash in hand:

- Leader captured and leadership has not being rotated;
- Books and accounts are not checked by members regularly;
- CDF and SO don't check the entry/record of the books and registers on regular basis;
- During the June closing bank delays in transaction/ receiving deposit from CO;
- Recommendations were not followed properly given by last audit, and finally
- Negligence, as well as ill motives of some leaders.
- From savings loan total installment overdue was Tk. 13.38 lac, and of loans with delayed 3 and over 3 installments, the overdue reached Tk. 8.35 lac. The matured overdue loan was Tk. 16.18 lac. It was observed that where the leaders were with IOD or cash in hand, delay in repayment of loans was rampant.
- From credit line loan the amount against total installment overdue was Tk. 8.18 lac with delayed of 3 and 3+ installment reaching Tk. 5.59 lac and the matured overdue loan Tk. 39.37 lac. Like for savings loans, where the leaders are with IOD or cash in hand, delay in repayment of loans was rampant.
- The repayment rate of loans for demonstrations was 68%. In some cases demo loans were not properly recorded in CO register and pass-books.
- Most COs had made some social contributions to their communities, but this was not properly recorded in book of records.

Regular CO monitoring: CO performance has been monitored and monthly reports generated. Table 2 shows upazila-wise performance of COs:

Table 1 Upazila-wise performance of COs against the critical indicators

Sl.#	Indicators	Sadar	D. S'ganj	B'pur	J'ganj	T'pur	Derai	D' Bazar	Sulla	D'Pasha	Project total
	Total number of COs	96	84	127	335	304	289	266	220	253	1974
1	% of COs below 70% attendance	27	33	89	22	22	18	9	16	9	22
2	% of COs saved by bellow 80% member	34	98	94	41	60	40	13	38	10	41
3	% of COs with cash in hand above Tk. 1200	69	60	54	17	9	15	10	7	2	18
4	% of COs repayment rate below 100% of savings loan	97	98	89	46	37	32	28	46	1	42
5	% of COs repayment rate below 100% of project loan	100	98	90	21	32	21	0	0	0	35

Use of loans: Up to 30 June 2010 a total of 57,418 loans had been disbursed. The loans were invested in five major sectors - petty trades, agriculture, aquaculture, livestock, food processing and also in some other areas such as buying rickshaws, vans, boats, fishing nets etc. In agriculture, loans have been used for field crops, vegetables, homestead gardening and nursery raising; in livestock for cow rearing, beef fattening, goat/sheep rearing and poultry/geese rearing; and in food processing for making sweetmeats, confectionary products, prickles and fish drying.

Annex II: Review of Infrastructure Development

A. Roads

1. Introduction

The infrastructure component of Sunamgonj Community – Based Resource Management Project has focused on building village roads to connect communities with main road net work. Roads built by the project are concrete roads rather than bituminous pavement, herringbone brick bond or earth. The project has supported the construction of 212.5 km of two types of concrete road: type-1, 3 m wide, 78.72 km and type-2, 2 m wide 133.80 km. The roads are built using either reinforced concrete slab (RCC) and concrete block (CCB). The community is involved in planning the work, monitoring the construction and ensuring maintenance through Infrastructure Monitoring Committee (IMC).

Table 1: Status of road construction

Name of Upazila	Planned (Km)	Completed Km					No.of package	Estimated cost Tk'000	Contract amount Tk'000	Actual expenditure Tk'000	No of Union Covered	No of village covered
		Total	CC Block	RCC	Type 1	Type 2						
Sunamgonj Sadar	46.47	44.52	10.93	33.59	9.94	34.58	155	86,034	89,250	83,666	7	76
South Sunamgonj	28.62	28.62	9.31	19.31	3.70	24.92	100	58,226	58,277	54,125	8	89
Bishwamvorpur	38.64	36.48	4.50	31.99	6.70	29.78	120	79,194	62,305	64,115	5	83
Tahirpur	24.59	24.16	16.67	7.49	22.34	1.82	52	79,369	81,289	77,441	6	47
Derai	12.18	10.27	8.30	1.97	4.87	5.40	46	34,424	35,203	20,827	6	58
Dowarabazar	22.65	17.57	15.61	1.96	2.78	14.79	60	52,869	48,537	42,157	9	66
Jamalganj	28.55	24.61	8.93	15.68	5.22	19.39	60	67,374	67,970	55,685	5	103
Dharmopasha	14.53	8.93	8.93	0.00	5.81	3.12	26	41,517	36,829	24,377	6	35
Sulla	25.20	17.36	17.36	0.00	17.36	0.00	57	81,576	75,262	52,130	3	23
Grand Total	241.43	212.53	100.54	111.99	78.72	133.80	676	580,583	554,920	474,524	55	580

Many CCB roads have been built by local communities acting as Labour Contracting Societies (LCS) rather than by contractors. Block making is done in advance of laying the road, allowing group members, especially women, to fit this work in with other household tasks. Construction through LCS increases community involvement and generates a significant amount of employment, including for women who make many of the blocks. Required skills

are also developed. Block making takes place during lean period when little other work is available.

Recently some RRC roads have also been built by LCS. In total LCS have built 46 km of road.

2. Field observations

The mission visited some of the project roads to get insights about the impact, performance, design and participation of community people. The experiences gathered from the visit are described below:

Dowarabazar Upazla

Construction of village road from Trum Road to Burusing Govt. Primary School Road type-2. Total 6 packages, each of 166m. Estimated cost Tk.390,686 per package.

Observations

1. The road construction works carried out by LCS that was formed and managed by a female Credit Organization. Although the LCS does the work, it was not formed as per LGED guidelines. Though formed by a female Credit Organization, many workers are male instead of female workers.
2. Blocks are laid on road without proper compaction of the sub grade and improved sub grade layers.
3. Blocks with broken edges and irregular shapes are used.
4. There is no shoulder and slope of the embankment results in sliding and eroding
5. No provision was kept for drainage structures.

Derai Upazla, Rajanagar Union

Construction of village Concrete Block Road from Kadamtali main road to Kadamtali Govt. Primary School. Ch. 00 to 150m, Ch. 150m to 300m.

Road works completed by LCS.

Observations

1. LCS is formed, but not in line with LGED LCS guidelines.
2. The road construction has been completed without keeping shoulder slope in the embankment.
3. Blocks are sub-standard quality as the proper proportion of ingredients was not used.
4. Curing process is not maintained.
5. Flash pointing of CC Block on the pavement is damaged due to traffic movement.

Derai Upazla, Rajanagar Union

Construction of village Concrete Block Road from Kazaura CBRMP road to Surma River Ghat. Ch. 00 to 150m, Ch. 150m to 300m.

Road works completed by LCS.

Observations

1. LCS is placed but not in compliance with LCS guideline.
2. Block setting and fixing were done nicely and provides good appearance.
3. No provision has been kept for cross drainage structures in design. During flood time when the static water level rises, the pavement is affected.
4. It was appeared that there was a existing cross drainage structure but it has been settled during road improvement work. No preventive measures have been taken.

Derai Upazla, Soromongal Union

Construction of village CC Block Road from Ghagutia main road to Chitolia Ferry Ghat. Ch. 00 to 1000m, Ch. 1000m to 2000m.

Contractor: M/s. Nazma Engineering

Observations

1. Most CC blocks used are found to be of inferior quality with broken edges and not uniform.
2. The pointing works in between the CC blocks were also found improper. The proportion of flush pointing materials was not followed.
3. Blocks were laid without proper compaction of sub grade and improved sub grade.
4. The earthen shoulder and slope in embankment for protection of road were over looked.
5. The process of block curing was not followed properly.

Sunamgonj Sadar

Narayanpur Chotobeel Sarak, Ch. 00 to 500m

Total 3 packages. The construction was done by LCS.

Observations

1. LCS were not formed properly following the LCS formation guideline.
2. The road was found to be in a good condition in terms of earth work in box cutting on road crest, sand filling on bed, improved sub grade, quality and uniform CC blocks.
3. Workmanship is appreciable.
4. In some places flush pointing between CC blocks ruptured because of traffic movement.

Jamalganj Upazila

Construction of Village Road from Lambabak Village CBRMP RCC road to Kalipur Village via Sadar Kandi Village. Ch. 1000 to 1250m

The road was constructed by LCS. About 10 female members were in the LCS group while 2 members were male. Out of 10 packages, 6 packages are completed.

Observations

1. Quality works are done by LCS. CC Blocks are in regular shape. Blocks fixing and setting were done properly.
2. As there is no shoulder in the embankment, some portion of road has slid.
3. Flush pointing of CC block in some places displaced and damaged.
4. RCC pavement work done in the starting alignment of the same road which is well looked.
5. No shoulder, no slope which is the common practice of CBRMP's intervention to road improvement work.

Jamalganj Upazila

Construction of Village Concrete Block Road from Chandpur Village to River Ghat via Harun Market. Ch. 00 to 140m

The road was constructed by LCS.

Observations

1. Quality has been ensured in terms placing, fixing and setting of CC blocks.
2. Flush pointing works are also done properly.
4. Overall features of the road remain in an appreciable manner.

3. Conclusions

Choice of road construction methods.

There has been considerable debate, both within the project and the mission, on the relative merits of RCC and BCC roads. Both types of concrete roads have the following advantages:

- i. Withstand submergence in water – and so it is not necessary to raise them on embankments which themselves can obstruct the flow of flood waters.
- ii. Can be built by community groups without heavy equipment. This instills a sense of local ownership and empowerment, as well as creating valuable local employment.
- iii. Make use of locally available stone and sand
- iv. Cheaper to construct and more durable than bitumen carpeted roads

The advantages of BCC roads over RCC roads are:

- i. Construction is more labour intensive, and much of the work involves making blocks which can be more easily done by women at times which suit their household schedules and in advance of the construction season.
- ii. The cost is somewhat lower than for RCC road (Tk3.13 million per km for BCC and Tk3.48 million for RCC)
- iii. The block pavement is flexible and so less vulnerable to major subsidence of the sub-base.
- iv. Even if the road is entirely eroded by flood water or the underlying ground completely subsides, the blocks (which represent most of the value in the road) can be recovered and the road re-laid. This makes it particularly suitable for the most vulnerable and risky locations.
- v. The blocks can also be removed and re-laid making it possible to change the alignment or configuration of the road.
- vi. The less even surface slows motorized traffic, reducing accidents especially where the road passes close to houses.

The advantages of RCC road over BCC roads are:

- i. Quicker and „easier“ to build, without the need to find space to make and cure concrete blocks.
- ii. The more level pavement and smoother surface requires less effort for rickshaw and handcart pullers, and is also preferred by pedestrians. May be more appropriate where higher volumes of traffic are expected.
- iii. The road shoulders are more robust and less prone to collapse

- iv. Requires less maintenance and no risk of theft of blocks.

The project has engaged BUET to assess technical viability of CC block roads. BUET has fielded a competent team to conduct the study. The study team provided an initial feedback to the mission in the form of a presentation and an Interim Report. This feedback has been incorporated into the above section on the advantages and disadvantages of CC block roads. BUET has been conducting a geotechnical study of block roads and initial findings suggest that the current configuration of block may be over-engineered for the required load-bearing capacity, and there is potential to reduce cost and increase stability by making blocks thinner but longer and wider. There may also be potential to improve stability of the road by changing the shape of blocks so they inter-lock better.

These findings suggest there is scope to further reduce the cost of CC block roads by using less concrete and to make road shoulders more robust. There may also be potential to use CC block technology in locations where supplies of stone are relatively expensive by using brick chips instead, and expand the use of CC blocks to other areas by using brick chips rather than stone. Such CC block roads may be used as a substitute for the smaller bitumen carpeted (BC) roads and for HBB roads. Making bricks for either BC or HBB roads has a number of undesirable environmental impacts (see box). CC blocks can either replace bricks with concrete made with stone or, if brick chips are used in CC blocks, a thinner CC block pavement would use less bricks than an HBB or BC road.

Environmental consequences of brick production

- Brick making is considered to be the largest contributor to GHGs emissions in Bangladesh in the order of 3.0 million tonnes of CO emissions annually;
- Brick making significantly contributes to local air pollution including emission of harmful gases such as Sulphur Oxides (SO_x), Nitrogen Oxides (NO_x), Carbon Monoxide (CO) and Suspended Particulate Matter (SPM) and PM₁₀;
- The mining of clay degrades the productivity of valuable agricultural lands. Total farmland in Bangladesh is about 14 million hectares that is being depleted by about 80,000 hectares every year, a 0.05 percent depletion rate;
- The illegal use of wood as fuel by about 25% of brick kilns contributes to deforestation.

Source: UNDP

4. Recommendations:

Considering the findings of BUET study and observations during mission visit to field, some recommendations are highlighted as follows:

1. With either CC Block or RCC pavement, the main concern is appropriate compaction of sub grade and improved sub grade layer. The project needs to ensure optimal compaction of sub grade before starting of pavement work.
2. Shoulders and embankment slopes should be constructed and maintained to increase the longevity of the road pavement.
3. Drainage structure should be provided at regular interval. It is appreciated that the project has no funds for bridges and culverts, but in some places the project has been able to get these constructed by other LGED projects or by Union Parishads.
4. Quality of the block can be improved by ensuring the correct mixture and curing.
5. To ensure quality, road construction work is better implemented by LCS instead of contractors.
6. The project should take up the eventual findings of the BUET study by constructing short lengths of road on a pilot basis using other types and specification of CC blocks.

B. Labour Contracting Societies (LCS)

To find an approach to increase participation of target group people in implementation of rural infrastructure schemes as an alternative to contractors, a labour based organization was considered necessary. Labour Contracting Societies (LCS) comprising poor and disadvantaged people is being used by SCBRMP as a new mode of work in road construction and maintenance of roads. The use of the LCS is considered as a land mark in targeting poverty reduction and reduction of food insecurities directly with infrastructure development. Keeping in mind the poverty reduction goal of the project, the employment associated with CC Blocks road construction is targeted at the poorest people, who can then make savings and invest the savings in income generating activities.

Observations:

1. There are different types of community based groups were formed by the project used as vehicle to implement the project objectives, such as, Infrastructure Monitoring Committee (IMC), Credit Organization (CO), Project Implementation Committee (PIC) and Labour Contracting Societies (LCS). It is difficult to identify specific entity of each organization for example, who is doing what, what is the functional relationship among these groups, how they supplement and complement each other.
2. In general it appears that LCS have been organized by COs and, compared with projects such as MIDPCR and RRMAIDP, LCS are less clearly a separate organization and more of an informal work gang. Members of LCS may not all belong to the CO and have not been selected using poverty and gender targeting criteria. Profits from LCS work accrue to the CO rather than to the LCS.

Recommendations:

1. LGED's U pazila Level Technical Staff could be used to help improving the quality of LCS work, however management and payment of LCS should remain the responsibility of the PMU.
2. There would be benefits in terms of poverty impact and women's empowerment if LCS could be more formally organized, with selection according to poverty criteria, and for profits from contracts to accrue to LCS members. However given that the project has an established system that works, there should not be any change in the areas where this system is already working. However, in two or three unions where the project proposes to work in phase 3, COs have not been formed, and it is now not proposed to form any new COs. In these unions a different approach could be tried, with the project forming LCS with assistance from UPs. This will be a useful pilot for HILIP.
3. To form these LCS, a detailed guideline should be formulated for implementing works through the LCS system including:
 - Procedures for selection of LCS members;
 - LGED's conditions for selection of LCS;
 - Activities to be carried out by LCS;
 - LCS group operation;
 - Structure of LCS group;
 - Responsibilities of LCS group;
 - LCS performance indicators;
 - LCS supervision mechanism;
 - Payment system to the LCS;
 - Financial methods.

LGED has a regular program of road construction and maintenance through LCS. Different projects under LGED have effectively institutionalized the LCS system: for example

RD-16, RD-23, RD-24, RRMAIDP and MIDPCR. The systems developed and practiced in different projects can be studied and then guidelines can be developed to suit SCBRMP. MIDPCR's guideline in this regard could be helpful.

C. Arsenic in Ground Water

Over the past five years, the project has installed about 2,435 tubewells in the aim of providing villagers with safe drinking water. These tubewells were installed in most of the project designated areas, and have fulfilled practical gender need and are beneficial to the members. Apart from installing tube-wells by project, a total of 40,241 tube-wells have also been installed by the DPHE and villagers in the district ????

In order to be able to anticipate on the potential threat about the contamination of arsenic in tube-well water, the project engaged BUET to investigate arsenic contamination in ground water. They took samples of from project 1,208 tubewells from 9 Upazilas of Sunamganj district and sent to the Bureau of Research Testing and Consultation (BRTC) of BUET for testing of arsenic concentration. The results of laboratory analysis were released and detected excessive arsenic content in 676 wells, with 532 wells being within acceptable levels. The highest arsenic levels in were found in Dharmapasha Upazila.

Observations:

1. The project distributed about 160 Sono Filters to communities to treat the arsenic contaminated tubewell water. The cost of each Sono Filter is Tk3,500. Although the Sono Filter has been distributed, a problem arises in routine weekly cleaning of the filter by hot water.
3. Testing of tubewell water is costlier with BUET – as the cost is Tk450.00 if carried out by DPHE.
4. No symptoms of arsenic poisoning have been reported in project area.
5. Field observation established that there is a lack of proper awareness among villagers about different aspects of arsenic toxicity.
8. The other option is sinking deep tube-well with 215m depth. In this case arsenic free water may be extracted (but this is not certain). But the cost of one deep tube-well is more than Tk.50,000 including drilling cost.

Recommendations:

1. In view of the existing situation that has been observed during field visit, it is better to advise project not to sink any further tube-wells in the project area without arriving at reliable solution to the problems.
2. An arsenic mitigation program could be launched to cope with the existing situation.
3. The viability of different options for safe water, such as dug wells, deep tube-wells, and rain water harvesting including surface water with watershed management in the village could be studied.
4. As part of an Awareness Campaign, a Field Test Kit could be made available. When the testing of project tube-well water commences, the Mark field test kit (made in Germany) could be made available. It is simple to use, and can be easily be applied by local people after some training, and no other field test kit has proved to be more reliable. The cost of this kit is about Tk2,700 and can test 100 samples. This type of test shows whether the water is safe or unsafe, but does not provide the actual level of arsenic.
5. This test is to be done with help of a brochure with colour pictures from UNICEF, NIPSOM and DPHE. Using the test results, the spout of hand tube-wells can to be painted (red, green or red question mark) and the caretaker or owner is to be informed about the test result and consequences. Based on results, the message is to be developed and disseminated to the users.

D. Markets

SCBRMP has made significant investment in infrastructure development especially in roads, but has not built any markets. In improving access to markets, it is clear that roads are the most immediate need, but markets are also important as a focal point for local economic development. Discussion with traders and market users in project area highlighted the need to provide market facilities including market connecting roads.

Information on Visits to Individual Markets

1. Market: **Bagmara Bazar (a small size bazar)**

Upazila : Dowarabazar, Union : Bangabazar.

Year of Establishment: 1972.

Persons Met:

- Traders
- Members of Banik Samity
- Permanent Shop Owners
- Temporary Shop Owners
- Sellers sit on open space.

Profile of the Market Structure:

1. Total number of pucca permanent shops ... 5
2. Total number of Tin shed ... 7
3. Open space for Temporary Sellers - earthen, internal earth market roads
4. Open shed 1: four platforms – 1 fresh fish, 1 veg (men), 1 veg (women) 1 general/dry fish. This was built on 2007 by an NGO funded by CARE Shouhardo project (along with 2 latrines).

Number of traders: this morning 7 fish sellers, 4-5 jackfruit, 5-7 veg (women who grow at home). In evening 25 sellers (5-7 women).

Access to Market: one earthen road of the category of union/village road connected with the market is approximately 4 km. Wanted this road developed by Shouhardo. A canal exists passing all along the length of the market, widely used by boats during rainy season.

Catchment Area: There is no market within the radius of 4-5 km. about villagers of 10-15 villages attend this market as sellers and buyers. About 500 to 600 people are frequented the market.

Mode of Transactions: major commodity like vegetables is sold directly by primary producers who are temporary sellers in the market. In case other commodities like fish, paddy, there are significant number of traders numbering 10 to 15 for each type of commodity.

Turnover there are no hat days. Turnover limited by lack of a good road so wholesalers do not visit. Most trade is for local consumers. Bigger trade in evening when sell daily necessities. Total Tk. 50 lakh on average monthly
Paddy 100 maunds daily during harvesting period

Rice 20 maunds daily during harvesting period
Fish Tk. 15,000 daily
Vegetables 5 maunds daily.

Land Ownership There is no khas land. Only 75 decimal of private land is available, of which 15 dec has been donated and 60 dec purchased in small plots by 58 people who may later build shops. Some key people of market said that if the market is taken for development, land could be made available.

Leasing The market is not leased out. The voluntary toll (donation) of Tk1 to Tk5 is collected for the development of market based Mosque as well as for cleaning the market. Collected Tk50 to Tk500 per day.

Management: MMC formed as per government rules – condition for Shouhardo support. 17 members.

2. Name of the Market: Chandpur Bazar (Harun Bazar) Medium Size.

Upazila: Jamalgonj, Union: Jamalgonj.

Market Catchment Area: 20 to 30 villages and covers 3 unions.

Year of Establishment: 1979.

Access to the Market: The market is accessible by roads and waterways. Market connecting roads are earthen and not in a good condition particularly in rainy season. A upazila road passes through the market. Only a CC Block road is constructed by LCS of SCBRMP to connect the market.

Profile of the Market Structure

- There are 2 pucca shops.
- About 37 numbers of tin sheds.
- Approximately 20 temporary sheds are there.

Transaction and Trading Activities

- Daily market in the morning 7 to 10 am and in the evening 3 to 9 pm.
- The daily average number of sellers and buyers in the market are 600 to 800.
- The major commodities transacted are vegetable, paddy and fish.

Leasing: The market is not leased out.

Market Management: There is no formal MMC. Banik Samity administers the market management in consultation with UP Chairman.

Market Area: There is khas land for further development of market.

Boat Landing Ghat: There is no boat landing ghat, but it is essential for loading and unloading of commodities which carried by boat.

Recommendations:

1. Markets are a focal point for business and trade in the community. Growers need to attend markets to sell their produce, and these opportunities provide them with income earning avenues & livelihoods. Market construction could be an important intervention in increasing the socio-economic status of the rural poor people.

2. Constructing sheds with a number of separate platforms and then allocating one of the platforms to women sellers seems to be a good idea which could be replicated in other markets. This provides women producers and temporary traders a reserved area within the main area for temporary traders. Existing Women's Market Areas consist of shops and so are not of use for such sellers. These shops are also often located away from the area where most fresh produce is sold by temporary traders and producers.
3. Markets will not develop unless they have good communications, so road and market construction (and possibly also ghats) should be seen as a package to be implemented together. It is also apparent that, to attract wholesale buyers (which in turn increases opportunities for increased production) it is better to develop markets that already have hot days.
4. If the project takes up market construction in phase III, then it would benefit from utilizing the experience of MIDPCR, including draft agreements with Market Management Committees and training materials for these committees and other market stakeholders.

Annex III: Review of Fisheries Component

The community fisheries management component of the project has been functioning since 2005. It has been generating significant learning in haor based fisheries management. For the year ending June 2010, a total of 138 beels (including 76 beels of 1st phase) covering 1363 ha. (3367 acres) have been operating with 4,564 fishers (21% are women). A total of about 191 tons of fish were harvested from 110 beels covering 2,752 acres. The total fish sale value was Tk.17.24 billion (average price was Tk.90.39 per kg).

The project has now gathered detailed information on all project beels for three years. This information is summarized in Table 1. This shows that average catch per acre decreased sharply from 118 kg in 2007-08 to 54 kg in 2008-09 before recovering slightly to 69 kg in 2009-10. This is largely due to low levels of flood water in the last two years, and partly because an increased proportion of the total harvested area is from larger beels where catch per unit area tends to be lower than in the smaller beels. The average price of fish sold has increased over these three years – from Tk55/kg to Tk81/kg to Tk90/kg – reflecting both a general increase in market prices and, possibly, some BUGs obtaining better prices due to more open and transparent beel-side auctions of catches. The total amount of profit distributed to BUG members increased from Tk2.1 million in 2007-8 to Tk6.1 million in 2009-10. The number of members receiving a profit share more than doubled from 1,339 (in 54 beels) to 2,995 (110 beels) and the average amount received increased from Tk1,510 (2007-08) to Tk2,050 (2009-10). In addition Tk4.2 million was earned in wages by 1,619 members for fishing and other work), amounting to an average of Tk2,611 per member.

Table 1: Data from project waterbodies

Sl.#	Particulars	Unit	FY 2007 - 2008			FY 2008 - 2009			FY 2009 - 2010		
			Beel > 20 acre	Beel < 20 acre	Total	Beel > 20 acre	Beel < 20 acre	Total	Beel > 20 acre	Beel < 20 acre	Total
1	Beel access	Number	15	55	70	18	60	78	34	104	138
2	Beel area	Acre	912	441	1,353	1,297	1,510	2,807	2,442	925	3,367
3	Beel Users Group	Number	15	55	70	18	60	78	34	104	138
4	BUG member:										
	Fishers	Number	772	1,259	2,031	1,092	1,195	2,287	1,568	2,073	3,641
	Women	Number	101	198	299	205	315	520	359	594	953
	Total	Number	873	1,457	2,330	1,297	1,510	2,807	1,917	2,667	4,584
5	Beel harvested	Number	12	42	54	17	46	63	26	84	110
	Area	Acre	645	343	988	1,726	385	2,111	2,010	742	2,752
6	Catch	Kg	59,732	56,823	116,555	73,043	40,384	113,427	113,287	77,457	190,744
	Catch/Acre	Kg	92.61	165.66	117.97	42.32	104.89	53.73	56.36	104.39	69.31
7	Sale value	Tk.	3,688,669	2,687,247	6,375,916	6,352,362	2,836,138	9,188,500	10,685,698	6,555,131	17,240,829
	Sale price per kg	Tk.	61.75	47.29	54.70	86.97	70.23	81.01	94.32	84.63	90.39
8	Income	Tk.	4,247,000	3,656,000	7,903,000	8,303,000	4,001,000	12,304,000	14,404,853	11,185,609	25,590,462
9	Profit Distributed:				0			0			0
	Total	Tk.	944,310	1,167,567	2,111,877	2,303,405	1,232,245	3,535,650	3,496,972	2,642,807	6,139,779
	Distributed at	No of beel	12	42	54	17	46	63	26	84	110
	Distributed to	No members	499	900	1,399	919	972	1,891	1,380	1,615	2,995
	Distributed amount	Tk./ member	1,892.00	1,297.00	1,509.56	2,506.00	1,268.00	1,869.73	2,534.00	1,636.00	2,050.01
10	Wage earned:										
	Total	Tk.	478,473	293,561	772,034	1,663,166	380,378	2,043,544	2,811,442	1,415,269	4,226,711
	Earned at	No.of beel	12	42	54	17	46	63	26	84	110
	Earned by	No.of member	434	492	926	478	540	1,018	663	956	1,619
	Earned per member	Tk.	1,102.47	596.67	833.73	3,479.43	704.40	2,007.41	4,240.49	1,480.41	2,610.69

Apart from this income from the main organised fish harvest (which is carried out as a joint BUG activity as the floods recede), all BUG members fish as individuals during the period of inundation. WFC monitoring of 30 sample beels shows the catch from such individual fishing was, on average for 2009-10, about the same as the organized fish harvest (in 2008-09 it was 50% higher). It is important to note that project has ensured the access rights of fishing in inundated area where previously fishers were not allowed to fish.

Bio-diversity has also improved. Table 2 shows that over 40 different species of fish are found in an increasing number of waterbodies (15% of waterbodies in 2007/8 and 60% of waterbodies in 2008/9). WFC report that there has been a positive correlation between the establishment of sanctuaries and numbers of species. Some of the less common species that are now being caught are high value fish, and so biodiversity contributes to the increase in catch value.

Table 2: Numbers of species recorded in WFC catch monitoring

No. of species	2007/08		2008/09		2009/10	
	No. beel	% of beel	No. beel	% of beel	No. beel	% of beel
10-20	5	18%	1	3%	1	3%
21-30	7	25%	3	10%	1	3%
31-40	12	43%	12	41%	10	33%
41-50	3	11%	9	31%	9	30%
51-60	1	4%	4	14%	6	20%
61-70	0	0%	0	0%	3	10%
Total	28	100%	29	100%	30	100%

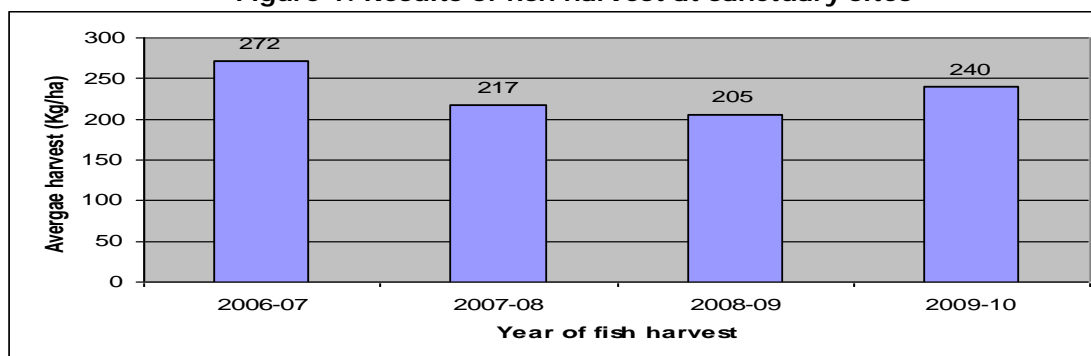
Table 3 and Table 4 show data on the main fish catch in beels where excavation was completed and fish sanctuaries had been established before 2007-08 (1414 BC). The harvest result of 2006-07 (1413 BC) is given as a base year to assess the results of the technical interventions of the project.

The average fish catch of beels where sanctuaries had been established was not increased in the following years, rather it had been reduced (Figure 1). However, WorldFish Center studies found that the number of species has been increased at these sanctuary sites.

Table 3: Results where sanctuaries in beels where completed in 2007

Upazila	Number of beels	Area (acres)	Harvest (in kg)			
			2006-07 (1413)	2007-08 (1414)	2008-09 (1415)	2009-10 (1415)
Sunamgonj Sader	7	112	9,562	8,374	8,661	10,268
South Sunamgonj	7	429	48,439	46,781	36,880	51,020
Bishawmberpur	6	155	4,729	13,539	16,755	19,012
Jamalganj	1	7	1,950	2,062	1,275	1,257
Tahirpur	2	169	2,072	15,862	16,543	8,978
Dera	2	154	987	3,844	5,269	9,668
Total	25	1027	67,739	90,462	85,383	100,208
Harvested area in ha.		416	249	416	416	416
Avg. Kg/ha			272	217	205	240

Figure 1: Results of fish harvest at sanctuary sites



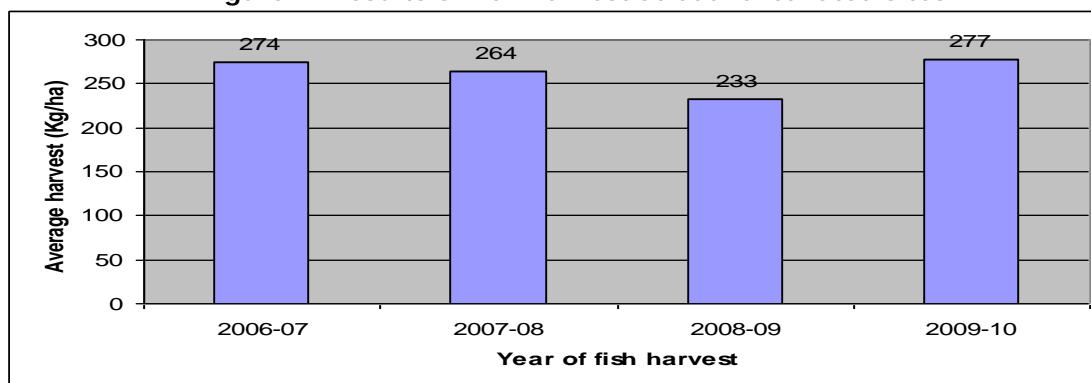
On the other hand, the average harvest where excavation had been undertaken was slightly increased on the third year after falling in the first two years (Figure 2).

Generally, in newly excavated closed water bodies optimum production is expected to be attained from the third year as the appropriate environment, soil condition and generation of nutrients etc. take a couple of years. The consequences of excavation of beels in the haor region may differ as water bodies are open and became a part of the vast water zone for which of nutrient generation and water flows differ. Interestingly, in spite of that, a positive trend in fish growth has been manifested after two years in both cases of the interventions at beels in the haor region.

Table 2: Results of excavation where earthwork had been completed in 2007

Upazila	Number of beels	Area (acres)	Harvest (in kg)			
			2006-07 (1413)	2007-08 (1414)	2008-09 (1415)	2009-10 (1415)
Sunamgonj Sadar	8	116	9,756	9,305	8,931	10,704
South Sunamgonj	5	35	5,186	5,732	4,636	5,085
Bishawmberpur	4	33	5,523	5,573	5,439	6,923
Jamalganj	3	24	3,744	3,591	2,372	2,010
Tahirpur	1	9	2,072	1,009	1,270	1,172
Dera	1	28	987	1,024	531	1,668
Total	22	245	27,268	26,234	23,179	27,562
Harvested area in ha.		99	99	99	99	99
Avg. Kg/ha			275	264	234	278

Figure 2: Results of fish harvest at beel excavated sites



Recommendations

Legal aspect of beel hand over process

According to the law, government *khas* land can only be handed over to another government department; and the named recipient must be a government official. That means the „post“ and „person“ must be from revenue sector. Importantly, in case of long-term tenure arrangement, the MoU regarding the handover will remain valid if the project ends before the lease period expires providing the recipient holds a revenue „post“.

In the recently (6 May 2010) signed MoU regarding SCBRMP, MoL will hand over the listed beels to the Local Government Division (LGD) of MLGRD&C (MoU signed 06-05-2010). It also mentions that the DC of Sunamgonj, on behalf of MoL, will hand over the water bodies to SCBRMP, and SCBRMP, on behalf of LGD, will implement the project activities (condition 4 of the MoU). However the MoU is not clear on who from the project will receive the waterbodies, and does not even mention the PD.

Since start of the fisheries programme in 2005, the PD of SCBRMP has authorized the concerned Senior Upazila Project Manager (SUPM) to receive the handed over beels at upazila level. The PD is a „development“ post, although the person holding it is a permanent staff member of LGED and so is from „revenue“. On the other hand the SUPM „post“ and „person“ are both from the „development budget“. „Development“ posts and persons will not

exist after the end of the project. At that stage legal status of the MoU could expire. It is important to address this issue as all the waterbodies will soon go through a fresh handover process from DC Sunamgonj according to New Fisheries Management Policy 2009 (which has withdrawn the authority of MoYS as owner of water bodies of less than 20 acres).

It is recommended that PD SCBRMP should authorized the LGED Executive Engineer of Sunamgonj to receive beels from DC to make the handover process legal which is important any dispute after the end of the project.

Secure long term leases of the BUGs (for another 10 years)

The project had secured a 10 year lease period for the beels with an assurance of a 10 year extension. However, project proposal was for a 20 year lease duration, which was the same as in other similar projects of the country. Such projects were given leases with at least 20 years duration, and even up to 50 years (Oxbow Lakes Project-II). Long term tenure security is the key for socio-economic development of the poor fishers.

It is recommended that after completion of the beel handover, project should initiate process to ensure another 10 years term of lease (giving a total of 20 years) by April

2012.

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Possibilities of forming federation of BUGs

By the end of 2010, project will initiate community based management in 212 beels, which is about 16% of the beels in Sunamganj area. For such a large number of beels a management network among the Beel User Groups will definitely play a vital role in resolving external as well internal issues. Moreover, the achievements of community based resource management need to be sent out to other sections of the community. Initially, upazila-based federations of BUGs need to be formed to develop the roles and responsibilities of such organizations through participatory discussions. Later a district level apex body could be formed.

It is recommended that dialog should be initiated at BUG level immediately to form upazila level federation. At least 4 upazila federations will be formed and a draft Federation Bye-laws will be developed by March 2011.

Financial support for fisheries related activities for women members

Effective participation of women in fisheries activities is still very low. Winter vegetable cultivation in beel adjacent area, swamp tree plantation and fish sorting have been considered to be women's work. Apart from vegetable cultivation, women's participation in these activities has been low. The last supervision mission suggested for „fish culture in cages" for women on pilot basis. Due to the work involved in handing over of waterbodies, it was not possible for the project management to implement this recommendation. However, project has now come to a decision to make a detailed plan for piloting „fish culture in cages" .

It is recommended that a plan for cage culture should be ready by June 2010. One officer with fisheries science background is needed to carry the pilot programme.

Annex IV:

History of Waterbody Management in the Haor Region and Outcomes of the Interventions of Sunamgonj Community Based Resource Management Project (SCBRMP)

June 2010

This report was prepared by
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As part of the Second Phase Review of SCBRMP

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The support provided by the officials of Upazila units of the project is also appreciated, especially the Senior Upazila Project Managers and Fisheries programme staff, who organised field meetings and interviews at different villages, and who provided relevant documents.

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History of Waterbody Management in Haor Region and Outcomes of the Interventions of the Sunamgonj Community Based Resource Management Project (SCBRMP)

1. Introduction

One of the main activities of Sunamgonj Community Based Resource Management Project (SCBRMP) is the mobilisation of local fishing communities to manage water-bodies (haors and beels) through establishing long-term legal rights of access.

Traditionally fishing and fish processing (drying) have been important livelihoods for haor communities. Since its inception in 2003, the project has gained significant experience in; (i) establishing access rights for common fishers, so replacing the sole authority of the former leaseholders; (ii) settling conflicts of interest between farmers and fishers on using beel water; (iii) resolving litigation between leaseholders and fishers; (iv), maintaining bio-diversity to enhance natural stock; (v) maximizing income from fish harvest; and (vi) ensuring women's participation in fishery activities.

This report has attempted to record the valuable learning of the transformation process of haor fisheries management.

2. Objective

The study aims to get an overall idea of the historical background to waterbody leasing, and access of fishers to haor fisheries in the Sunamgonj area over a period of about the last 100 years . The study has also assessed the influences in overall haor management from the view point of project interventions. The specific study objectives are:

- Describe the previous systems of leaseholders for haor/beel management; and how this has been changed through the interventions of SCBRMP.
- Assess how fishers' access in the old lease system compares with fishers' access in the project's community based management system.
- Identify changes in the incidence of violence in connection with haor fishery management.
- Evaluate the social acceptance of the legal access rights of common fishers in haor/beel management.

3. Methodology

3.1 Study design

The nature of the study is of a process documentation for which participatory situation analysis process has been given importance. Basically qualitative data was given priority at all levels of information gathering. The steps are given below:

- A historical data collection format was developed by consulting with related agencies.
- Data was collected from focus group discussions of project Beel Users' Groups (BUG). Elderly and knowledgeable villagers regarding haor/beel management were also invited to participate.
- Review of haor related historical books, studies and articles collected from Sunamganj Public Library, local journalists, lawyers and civil society leaders.
- Information was collected jointly with project personnel in the field.
- The information collected has been verified through different methods, such as
 - a) checking of project records (baseline data, timeline data, documents of litigation, reports on fisheries programme, etc.)
 - b) consultation with leaseholders reviewing the collected information.
 - c) checking the records at the upazila and district revenue offices.

3.2 Information collection

Field data collection was undertaken during the period April-May 2010.

- 'Focus group discussions' (FGD) with beel users' group members and other villagers were held at 20 beels or haors involved with SCBRMP in 4 upazilas in Sunamganj.
- To ascertain changes related to the project, FGDs were also organized at 5 beels and haors which are not under the project.

4. Historical perspective of land management in the Indian Sub-continent

From the earliest times in the Indian sub-continent, conceptually all land⁵ has belonged to the state. All persons who cultivate or hold intermediate interests in land are bound to pay a share of the produce of the soil to the state. The state's share of the produce is payable either in cash or in kind and is known as land revenue. To understand the present system of land and waterbody management in Bangladesh, the historical background of land tenure arrangements in the entire territory of Bengal (now including independent Bangladesh and the Indian province of West Bengal) must be taken into account.

In ancient India during Hindu rulers (before 1200) land revenue was from one-eighth to one-sixth of the produce of the land. In return the state administration ensured the user rights of cultivators and tenants. But no evidence was found of such revenue collection from water bodies (haor, baor, beel, river, canal or even pond/tank); these remained revenue free for fishers' communities, who enjoyed a customary right of fishing for their livelihoods. At that time fishing was only a profession of low caste Hindu communities⁶.

Subsequently, the Muslim rulers adopted the indigenous system, but generally collected the state's share of the produce in cash, the produce being valued at the current market price. The first

⁵ Land which is cultivated, uncultivated, fellow or covered land with water any time of the year, either open or closed where fish culture undertaken or not (The Bengal Tenancy Act 1885).

⁶ Low caste traditional Hindu fishers are known as koiborta, jolodas, bormon, halder, etc. The section of the traditional Hindu fishers community which converted to Muslim in ancient time (after the fall of Hindu emperor in the Indian sub-continent in 13th century) largely known as 'mymol'. Their professional history of fishing is as old as traditional Hindu fishers.

systematic land survey was made (1571-1582) in the reign of Moghul Emperor Akbar to introduce cash revenue on uniform standard measurements⁷. One-third of the average gross produce was adopted as the basis of assessment and cultivators were made direct *raiya*s⁸ (tenants) for a term of 10 years. This revenue system lasted for more than a century, during which time cultivation flourished and tenants attained a high degree of prosperity. However, the survey does not mentioned revenue collection from fisheries; and it is possible that fishing was considered in the category of hunting.

When the British assumed control of the revenues of Bengal in 1765, the system of the Muslim rulers of the Moghal empire was initially adopted. Very shortly afterwards, the accumulated arrears and decreasing collection of revenue so alarmed the British rulers that they took steps to develop a more satisfactory system. In 1793, the Permanent Settlement law put forward as an incentive, that 'for fair revenue collection, the hereditary tenure of possession is to be the only necessary security'⁹. The *zamindars* and independent *talukdars* were declared to be the proprietors of the soil. The revenue of each estate was made unalterable and fixed forever. In practice, though, while *zamindars* paid fixed revenue to British Government, their collection from tenants was not fixed. Rather serious oppression and cruelty during revenue collection has been reported. For the first time in history, fishers had to pay 25% of their catch as revenue, but this was irregular and limited to large waterbodies. Because of serious distress among the peasants, by the middle of nineteenth century there was a revulsion against the *zamindari* system which manifested itself in widespread agrarian discontent (T. Hossain¹⁰). On the other hand, the permanent settlement by which land revenue was fixed forever was found to be incompatible with the growing revenue demands of nation-building programmes.

Given these perspectives, the British colonial government recommended the abolition of *zamindari* system in order to bring all actual cultivators directly under the state. After the independence of the sub-continent, The East Bengal State Acquisition and Tenancy Act 1951 was passed by the Pakistan government. This law is considered a milestone in the history of land tenure system in the territories now included in Bangladesh.

5. Historical perspective of fisheries management in Bangladesh

Ownership of water bodies in Bangladesh was traditionally divided between the state and individuals. The state held authority over the marine and coastal territorial waters and large tidal rivers. All other water bodies belonged to those on whose land such bodies were situated or through whose estate rivers flowed (Mohiuddin Farooque¹¹).

⁷ Emperor Akbar had appointed one of his ministers Todar Mall to conduct the survey for decentralization of revenue collection, then Bengal was divided into 19 districts, each districts being sub-divided into a number of *parganas* (the larger unit of *jamindary* consists with one or more *mouja*). That land assessment has been known as Todar Mall's settlement.

⁸ *Raiyat* is a person who has right to occupy a land to cultivate himself or by his family members or by his partners or by permanent or hired labours.

⁹ Source: letter from the Directors of the East Indian Company to Lord Cornwallis, the Governor General of India.

¹⁰ T. Hossain, Land rights in Bangladesh: Problem of Management, 1995, University Press Limited, Dhaka.

¹¹ Mohiuddin Farooque, 'Regulatory Regime on Inland Fisheries in Bangladesh: Some Remedies' 1994, Dhaka

The ownership of overall inland fisheries (rivers, canals, haors, boars, beels, etc.), with the exception of ponds and tanks, was transferred to the state with the implementation of the East Bengal State Acquisition and Tenancy Act 1951.

It was specified that administrative responsibility for all public waterbodies was to be with the Ministry of Land (MOL) and the right to fish should be settled on the basis of highest bidder through public auction. Inland waterbodies were classified into open fisheries and closed fisheries, according to whether capture or culture fishery was practiced. For capture fishery the length of the lease was fixed for the duration of one year, except for a 3-year lease term for haor region waterbodies, which have been in used since the *zamindari* period as a type of reserve fishery (locally called *pile fishery*)¹². For culture fishery in public ponds and tanks the length of lease was for three years.

6. Background of haor and beel management in the Sunamgonj region

There are a total of 1,301 beels and haors (of them 125 are haors) in Sunamgonj district, constituting an area of 782 square kilometer, which is 21.3% of the district area. Of the 7 haor districts, Sunamgonj has the largest haor area, with about one-third of the total both by number and area (BBS, 2005). By the end of the project in 2013, SCBRMP will implement community based fisheries on between 200 and 300 beels and haors, which constitute at least 16% of the total number of beels in Sunamgonj.

The following account of the evolution of the management systems in these haors and beels over the past hundred years has been drawn from the focus group discussions with fishers and villagers.

6.1 *Zamindari period (and its continuation upto 1951)*

Most of the haor area of Sunamgonj district was under the estate of two *zamindars*: Gourarang *zamindar* in Sunamgonj district and Gouripur *zamindar* in Mymensingh district. Besides these, local *talukdars* were also owners of haors and beels in the region.

In the beginning of the 20th century *zamindars* introduced leasing of waterbodies to increase their revenue; either charging fishers a seasonal fee or leasing out to local middlemen who, in turn, contracted fishing teams on a catch share basis. At that time leasing contributed very little revenue, but by this rule fishers' old customary fishing rights in haors came to an end.

At that time 'fishing for sale' was not appealing to the upper class. As a result, it was mostly professional fishers who would take the leases. Sometimes the *zamindar's* field offices contracted fishers' groups for fishing on catch share basis, which finally was not found beneficial for the estate. An auction system had been instituted in some of the waterbodies now under SCBRMP, viz. Matian haor, Boldha beel, Medi beel, Rupsha nodi, Abua nodi, Gazaria nodi, etc. One of the project beels, Chatal Udday Tara, was directly managed by the local *Talukdar*¹³.

¹² British government had advised fishers of the haor region not to undertake major fishing every year. Concern over the decline in natural stock might be due to the devastating earthquake that occurred in the region of Assam and Bengal in 1887. It was suggested to undertake fishing in any particular beel after a two-year interval for breeding and growth in the haor area, which is the main breeding ground of fresh water fish. This concept of naturally enhancing the fish stock is called reserve fishery, or 'pile fishery'.

¹³ A *talukdar* is considered as a junior *zamindar*, assigned to collect revenue on behalf of *zamindari* estate; in addition they also used to take some landed property directly from the British government.

The story of Chatal Udday Tara Beel

Chatal Udday Tara beel was under Gourarang zamindari of Sunamgonj, At the end of the 19th century it was taken over by a local Talukdar, Abdul Hamid Talukder, who was a resident of Kathalia village which is in the area surrounding the beel. From the beginning of the Talukdar's tenure fishing was managed through his estate. Annually a major harvest was undertaken by fishing teams from Nasirnagar in Brahmanbaria district. He introduced a 'fish festival day' during the harvest season. On that day Talukdar gave a large fish, not less than 5 kg, to every household of Kathalia village (170 households at that time, now 450 households), irrespective religion, caste or wealth. This was an exceptional contrast to the behavior of zamindar class who usually exchanged gifts within the upper class of the society. Apart from that, beel had been remained open for local villagers during inundated period. Even now villagers are delighted to tell the story of the pro-people outlook and services of the Talukder dynasty.

In 1962, after zamindari period, one of the family member of the Talukdar took the beel on lease through auction for the first time. He stopped distributing free fish to villagers as well as engaged guards during the main harvesting period, which created resentment among the villagers. Anger at the denial of the villagers' customary right of getting free fish resulted in mass poaching. In the wake of villagers' unrest, the leaseholder decided to leave before completing the 3-year tenure. Later several leaseholders came, even with strong political backing, but were not able to establish the business due to non-cooperation of the villagers. In fact the beel had remained lease free, at various times, for a total of 15 years since the independence of Bangladesh.

What is important here is the message that once a community acquired a stake on a public natural resource, either customary or legal, it would be difficult to bring it under private management excluding them. Similarly, Boro Kaima beel also was allocated to raise fund for a mosque building during zamindari period. Later leaseholder of Kaima had always faced difficulties in fishing without contributing to that mosque. This beel also remained lease free for several years. Given this typical way of behaving of the villagers, it has been easy to establish the community based approach of the project in these beels.

Professional fishing teams of Nasirnagar upazila (Brahmanbaria) or Bishwnath upazila (Sylhet) had mainly enjoyed free access during pre-zamindari period. In the past, haors waterbodies were the part of the tropical forest of north-eastern Bangladesh. These 'hunting fishers' cleared the plants and weeds of the haors to make it suitable for fishing grounds where they could spread their nets. Their physical labour for developing jungle of these haor for few decades, in fact, established the free access rights of fishing. Since the beginning of the twentieth century, however, this free access was restricted and fishers were engaged by *zamindari* estates for major fishing for 35-40% of the catch as their share. These fishing teams, along with family members, temporarily migrated to the haors for 4-5 months (October-February) Even today the day domination of Nasirnagar and Bishawnath fishers continues because of their special inherited skill of deep-water fishing.

At that time fishing in inundated haor area was open to anyone. As fishing pressure was low, there was no thought of guarding the fisheries.

6.2 Pakistan Period (1947-1970)

Though the zamindari system was curtailed by State Acquisition and Tenancy Act of 1951, in effect zamindari continued up to mid-1960s in the Sunamgonj area. At that time, beels and haors had been leased out to private individual through auction. In those days not many people were interested in fishing. As a result, ex-employees of zamindars, and, in some cases, people close to the ruling party acquired charge of these water bodies. **The significant change is that some Muslims had taken over fisheries business as leaseholder during that period, a change that was possible because of the political changes that took place at that time in the sub-continent.**

Until 1970, the last year of Pakistan reign, the change of leaseholder for a particular waterbody was rare, rather there was continued renewal. Fishing access in inundated water was mostly open. Local villagers too, and not just migrant professional fishers, became more interested in both fishing and fish trading. Fishing, in fact, had become the main source of income for many poor Muslim households. Further, temporary guards were engaged at large beels or haors when the monsoon waters started to recede.

6.3 Bangladesh Period (1971 until now)

The leaseholders of Pakistan period were mostly supporters of the then ruling party (Pakistan Muslim League); they did not support the liberation war of Bangladesh. As a result, after independence they were on the run, leaving haors open for all. This was a common scenario of all waterbodies of the country during liberation war.

Haors in the Liberation War

The wave of the nation-wide peoples' upsurge in 1970 for liberating the country had also touched the remote haor village Raipur, which is in the vicinity of the Rupsha river. The leaseholder of Rupsha had not shown up for fishing for that year, it was open for local fishers. When Pakistan army started killing people in early April 1971, people from Sunamgonj and Bishawmberpur took shelter at Raipur and other remote villages, considering that the army would not be able to reach upto those remote villages having to cross the vast haor. Moreover, most of the Pakistan army did not know how to swim.

Raipur villagers had run a refuge camp ('shoronarthy camp') for about 900 people for 8 months. Fishers of the Raipur voluntarily harvested fish from Rupsha and supplied them to the families of the camp almost everyday. The sacrifice and inspiration of Raipur village was quite remarkable. Elderly members of project organized beel management committee recalled those memory with great pride and respect.

The liberation war of Bangladesh in 1971 created significant expectations of changes in the socio-political system. It was expected to break through the traditional systems which were not helpful for the common people. The reflection of such a change was also found in our present study, in that just after independence the general fishers formed cooperatives on their own and took possession of almost all beels and haors. In response the government ended participation by individuals in waterbody auctions, and gave this right to fishers' cooperatives alone. Organized local cooperatives legally got possession of almost all waterbodies in the haor region. But they failed to retain their possession for long.

The reason behind why fishers were not able to sustain their cooperative ownership is that the unity was created spontaneously among fishers after the Liberation War of 1971 in the belief that everybody have an equal right. However there was no class consciousness in this unity. As a result, within a short period the fishers' unity broke down due to internal conflict. In most cases previous leaseholders played a role behind the screen to create an image that the common fishers are unable to manage such water bodies. They found like-minded people within the fishers' societies, through whom they gained the upper-hand in management. These attempts by vested interest groups had an easier way after the political changes of 1975. Either by using the existing fishers' societies, or by forming new societies, they got hold of the waterbodies legally. Interestingly, most of the leaseholders who were in possession of beels and haors immediately before the independence of Bangladesh, had got them back by the end of 1970s.

The following decades is the history of how these leaseholders became 'water-lords'. With increased population and poverty, large numbers of poor households were forced to take up fishing as a profession. In this situation, the inundated haor area provides easy and open access for this livelihood, which is also a customary right for local fishers and villagers. On the other hand, leaseholders wanted to maximize their harvest for which they attempted to take control over the whole inundated haor area (rather than just smaller beels where fish concentrate as flood levels fall at the end of the monsoon season).. Most of the large leaseholders organized their own force of armed guards to instill fear in the people of the haor region. Villagers were not even allowed to cross the haor by boat during the monsoon. For example, villagers around Boldha beel were surrounded by water during the monsoon. The waterway was the only route for communication, but to use it they had to take permission from the leaseholder's guard. This created panic. The resulting struggle of the villagers led to anarchy, with the government administration supporting the leaseholders. This unrest led local villagers to start 'gang poaching'¹⁴ in many haors and beels. At that stage repression of local villagers became extreme, and several murders took place, with widespread police harassment. In Matian haor alone the police and leaseholders' guards shot dead six villagers in 2004.

In this alarming situation local progressive political workers, students, teachers, lawyers and other working class people came forward in 1983 to launch a movement to establish the rights for open and free fishing in inundated waters. The movement was popularly known as '*bashan panir andholon*' (Farhat Jahan¹⁵), and was initiated in Sunamgonj but quickly spread over the whole haor region. The movement continued for several years. Later the unity of leadership broke down as the 'left' was weakened with the fall of world communism and individual leaders went off to try their luck with the mainstream political parties in Bangladesh. Despite this, and although the demand for open access to the haor areas was not formally accepted, by 1995 in general the government allowed open access for fishing in flowing waters.

The significant achievement of the movement is that poor fishers and villagers had put forward a warning sign against the belligerent role of waterlords.

¹⁴ Villagers and fishers suddenly attacked the leaseholders guard force and captured them. They put up red flags on certain area of the haors and continued fishing for 2-3 days, until they got information of the impending arrival of the police force. Gang poaching had been openly carried out at many large beels and haors.

¹⁵ Farhat Jahan, the author of the book 'and life and livelihood of Sunam' (in Bangla), an ethnography of the socially marginalized communities in Sunamgonj, 2007, Dhaka

‘Now somebody should come forward to support our demand.....assure us that we are with your cause.....thousands of poor fishers and villagers will come out from the haor localities.....like ants do come out from the holes for survival..... our leaders may have run away..... but we will not be put down.....’
-Ramjan Ali Shikder, a fisher from Lalpur village, Gourarang union, Sunamgonj Sader. Source: ‘and life and livelihoods of Sunamgonj’)

Table 1. History of waterbody management in Bangladesh region

Period	Water body management	Fishing and fishers’ access	Policies and rules
Hindu and Moghul emperors of Indian sub-continent (upto 1750)	No tax, lease fee or catch share collected by the state.	Fishing by fishers only (100% of the catch) Open access for fishers and villagers	Customary rule
First part of the British rule (1750-1893)	Lease free, but nominal catch share or fish gift to state’s staff	Fishing by fishers only (100% of the catch). Open access for fishers	Customary rule
Zamindari system under British rule (1893-1947)	Lease to fisheries’ or zamindari staff for main fishing at selected beels	Fishers’ catch share was 35-50%. open access for fishers	Permanent settlement 1793
Pakistan period (1947-1971)	Open auction, leaseholders emerged, seasonal guards	35% of the catch share for fishers Fishing in inundated fishing was open	State Acquisition and Tenancy Act, 1951
Bangladesh Period (1971-till now)	Auction to fishers’ cooperatives only, using those societies powerful water-lords emerged. Permanent guard force.	Fishers’ catch share 25-35%, inversely related to harvest volume. Fishing in inundated water was banned.	Waterbody Act 1973, New Fisheries Management Policy 1988, reviewed 1998, 2005 and 2009.

7. Traditional fishing management in the haor region and SCBRMP’s community based approach

Traditionally two different type of fishing management are found for haors and beel management. These are:

- Catch-share or daily wage based fishing
- Gear fee based fishing

This basic difference relates to the nature of the waterbodies. Catch-share or daily wage based fishing have been practiced in beels and haors, while the gear-fee based system is only found on internal rivers and canals in the haor region.

7.1 Catch-share or daily wage based fishing management

Catch share or daily wage is the main fishing system that has been in practiced in beels and haors since the *zamindari* period after the abolition of open access or free fish-hunting. Until today the basic arrangement remains unchanged, except for a broadening of the leaseholders’ control to include the inundated water areas, far beyond the jurisdiction of their leased area.

7.1.1 Lease holders' system

- The water body lease is in the name of a fishers' society, but all management decisions were taken by an individual - the leaseholder.
- Main fishing was undertaken by fishing teams hired from far-off areas, with 35% of the catch generally given to the fishers.
- The fishers' share can go down to 25% when the harvest is larger. This provided a disincentive for fishers to make large catches, although this could not be avoided in *khata* fishing when the fishing ground is pumped dry.
- Wage based fishing payment is only offered if leaseholders anticipate a large harvest and do not want to allow fishers to benefit from even a 25% share (such as *khatha* fishing).
- Hired local guards are engaged round the year to terrorize fishers and villagers.
- Leaseholders took over control of the whole inundated haor area during monsoon and did not allow anybody to fish
- Since there the lease period is limited, the system of reserve fishery (pile fishery) was not followed to increase the stock. Instead complete fishing was undertaken every year.
- 'Guarding by local people and harvesting by outside fishers' has been the main principle of leaseholders' management.
- In order to get local support, the leaseholders would establish linkages with rural elites and make donations to local religious institutions.

7.1.2 Project systems

- SCBRMP has organized poor fishers into Beel User Groups (BUG). These also include agricultural landholders in the periphery of the waterbodies who are also subsistence fishers. BUGs take all the decisions regarding fishery management, and the rotation of BUG leadership has been organized through secret ballot elections.
- Villagers and fishers are allowed to fish beyond the core area and established *khata*s in the beels during the monsoon period.
- BUG members on rotation perform the guarding. Only a few hired guards are involved for just 4/5 months during main fishing season.
- The main fish catch involves the fisher members of BUGs. In large beels or haors, professional skilled fishing teams from outside are engaged on a daily wage or on catch share base (35% to fishing teams).
- Of the total income from sale of fish caught in the main catch, a minimum of 50% is distributed equally to all BUG members and the rest of the income used to pay the lease fee, guard salary, etc – together with fishing wage payments to fishers who do the actual fishing .
- The BUG has been helping other local poor people and also contributes to local religious institutions.

This project system virtually put back the customary fishing access rights in inundated area to the local fishers and villagers. Other significant changes in haor-beel management include: BUG members' equal shares from main fishing income, members' voluntary guarding on rotation, establishing permanent fish sanctuaries, priority engagement of local fishing teams for large waterbodies, and rotation of leadership.

7.2 Gear based fishing management

Gear based fishing system has been found only at some rivers and canals in the haor region. However such rivers and canals are not so common this area. The system has been in practice since early the 1960s when auction of water bodies was introduced. Two project waterbodies, Abua Nodi and Rupsha Nodi, are of this category; while Gazaria Nodi has not introduced a gear based fishing because the natural flow of the river has changed due to siltation, converting it into several small beels. It has been managed as other beels.

7.2.1 Lease holders' system

- Local fishers are allowed to fish paying fee against respective gears fixed by the leaseholders. Gear fee collection is the only responsibility of leaseholders.
- Sometimes leaseholders reserved some gear for themselves by which large and valuable species could be harvested. These gear would be operated by hired local fishers on a catch share basis.
- Fishers from distant areas do not participate in such waterbodies, as these are customarily reserved for local fishers.
- Harvested fish belongs to individual gear users or to the small groups that operate the gear.

7.2.1 Project systems

- Project has been following the same gear fee system with the same fishers that had been involved in the past. All gear fees have been slightly reduced. The lowest gear fee is Tk.500 per person per season (individuals can operate this small gears) and the highest Tk.65,000 per season for a small group (large gears need to be operated by 8-12 persons).
- The collected gear fees are again equally distributed to BUG members, after deducting the lease value and other miscellaneous expenses.
- The project BUG introduced a 4 month fishing ban in the river to allow fish breeding starting from April (*Boishak*). This aims to increase natural fish stock, not only in the rivers but also in the adjacent haors and beels which are supported by the rivers.

The distribution of the collected gear fee equally to all members and introduction of four month fishing ban during breeding period are the notable changes of project interventions in gear-based fishing sites. It also ensured the continuation of the access rights of gear fee-payee fishers.

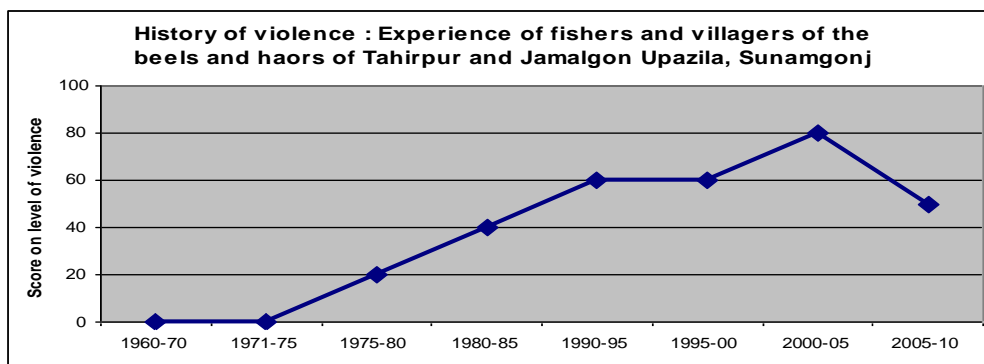
8. Incidences of violence and conflicts

8.1 Fisher-leaseholder conflict

Early flood water from the hills in India usually inundates the boundaries of beels, haors, rivers and canals over the whole haor region starting from April, and forming a vast wetland that reaches up to the doorways of the villages. Fishing in this inundated water (*bhashan pani*) has been a customary right for local fishers and villagers until the emergence of the strong leaseholders in the 1980s eliminated this fishing right. The root cause of conflict in the haor region is the issue of restoring the fishers' customary rights of fishing in this inundated water. In the wake of fishers' unrest, a broad-based movement was initiated by left-leaning political parties and continued from

1983 until about 1990. Although the movement has not achieved the longed-for success, yet it has played an important role in limiting leaseholders' increasing claims of rights over inundated waters. This is reflected in changes in the incidence of violence in last five decades in the haor area of Sunamganj as measured in FGD (see Figure 1).

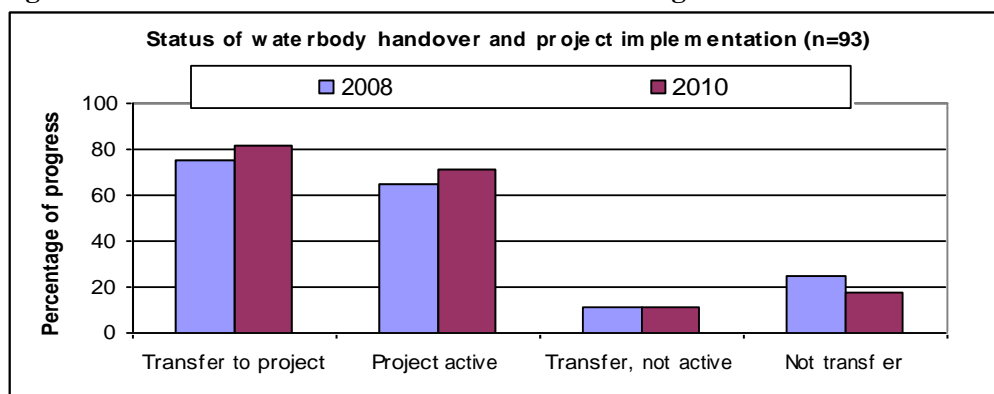
Figure 1 History of violence with haor management in Sunamgonj



Given the positive results of the fishing rights movement for inundated water and the subsequent political situation under the caretaker government (2008-09), a number of legal cases were resolved by project, most of which related to large beels or haors. Since the inception of the fisheries programme in 2003, a total of 93 waterbodies were allocated (an MoU signed with Ministry of Land or Ministry of Youth and Sports for their handover) to the project in its first phase (2002-3 to 2006-7). But only 70 of them were transferred to the project by 2008; the rest being at various levels of dispute or litigation.

Assessment of progress until May 2010 is presented in Fig.2. Of a total of 23 waterbodies that were not transferred to the project in phase 1, about 25% have now been brought under project management. On the other hand, 'transfer but not active' has been remained the same. This indicates that pressure from vested groups creating increasing problems for community based management was not significant.

Figure 2 Status of beel-haor handover and functioning under SCBRMP



8.2 Cultivator-fisher relations

Boro is the main rice crop cultivated in the Sunamgonj haor area due to the long flooding season, which continues for 6-7 months. Local varieties do not require much irrigation, but their

productivity is also low. HYV boro was introduced in Sunamgonj area in the middle of 1970s. Irrigation is important for intensive culture of such high yield variety of boro, but such HYV boro cultivation can lead to conflict over use of beel water between farmers and fishers.

The conflict has not been widespread, and is concentrated on small beels, which cannot store sufficient water after floods receding from the fields in the late autumn (Oct-Nov). Water in beels is the only source of irrigation for cultivators between January and March (groundwater resources are not suitable for extraction for irrigation due to gas in the aquifer). On the other hand, beel leaseholders want to delay the fish harvest until March-April to maximize the quantity of fish.

The policy of auctioning beels for a 3-year term (for pile fishery that produces a large catch in the third year) and the ban on fishing by dewatering are meant to enhance the natural stock of fish. However beel leaseholders would like to fish by dewatering beels in order to maximize their harvest. A rule in the lease document prohibits such dewatering, so leaseholders, rather than breaking this rule themselves, get the dewatering done by farmers who are not restricted by such a rule (since they do not hold the lease). So basically, the conflict regarding dewatering is not only on the use of water, but also it is about who will bear the cost of dewatering. As a result, using beel water for irrigation purposes has always been an issue of tension and quarrels that can even lead to violence.

Interestingly, in order to raise sufficient funds for irrigation from farmers in advance, beel leaseholders intentionally delay their fishing. This delay increases pressure on farmers to raise the expenses involved in carrying out dewatering. The fund is used to rent pumps, purchase fuel and hire labour. By allowing cultivators to take water for irrigation, beel leaseholders are able to carry out a complete harvest without any cost for dewatering. Moreover, it keeps them free from violating the legal obligation of 'not to fish by dewatering the beel'.

It should also be noted that increased competition in leasing, especially of small beels, and the introduction of HYV of boro took place at almost the same time in the middle of the 1970s. Since then complete harvesting by dewatering has become a common phenomenon. BUGs are able to achieve the same result without tension or conflict as the groups are formed with both fishers and cultivators with lands adjoining the beels.

9. Social Acceptance

9.1 Supremacy of waterlords grows weaker

The current leaseholders are not the hard-liners who used rule the area 20 years ago. They are mostly from the next generation, and may not even want to join in this complicated haor fisheries business. Most of them are educated (and many stay abroad) and are not willing to take over the title of 'waterlord'. The profits that their fathers' generation accumulated from fisheries has been invested in other trades and industries. Unless there is a fresh recruitment of strong leaseholders who develop under political patronage, life for haor fishers and villagers will become better. It is possible to draw some conclusions from the following two examples:

a) An investigative report in a national newspaper ('The Weekly 2000' of April 2008) mentioned that there were 27 waterlords who had been controlled haor leasing in Sunamgonj until 2006, forming a syndicate irrespective of their political affiliations. This report made an in-depth enquiry about the present status (2010) of the members of this syndicate, and found that only roughly 6-7

waterlords are still substantially involved in the trade. The remaining 20-odd former waterlords have now quit the business.

b) Major (Rt.) Iqbal Hossain (a Minister 1983-1990), had been a powerful waterlord. Nolchunny beel (the largest beel in Pagnar haor) was under his direct management since 1982. After his death, his wife (who was a MP by direct vote) managed the beel until her death in 2009. But their descendants have not shown any interest in continuing the business. Recently three development schemes have been submitted for this beel by local people according to the new fisheries policy of 2009.

9.2 Increasing support for community based groups

A large number of former guards of leaseholders have become BUG members. This is an outcome of the earlier movement for fishing rights. During that movement organized fishers and villagers first targeted the guards, as leaseholders obviously were not found at the sites. Guards were caught and, in some cases, were beaten by the angry mobs. Many of these guards left the employment of the leaseholders and joined the movement. This cut their links with leaseholders, who considered them to be traitors. Later many of them joined BUGs. These people are knowledgeable about haor management, so some of them have been chosen as leaders of BUGs. For example, the head of the guard force of Matian's previous leaseholder is now the president of the Matian BUG. Ex-guards are also present in the Boldha BUG leadership.

9.3 Status of resolution of litigation and conflict

Since 2005, after initial attempts by leaseholders to use litigation to prevent waterbodies' handover, no new court cases has been recorded so far. Almost all this litigation has now been settled. Most of the more complicated litigation was settled during the caretaker government of 2007-2008 and the following elected government. These were Gazaria Nodi, Abua Nodi, Matian haor, Boldha and Boro Medi beels.

Table 2. Status of 10 beels, transferred but not active

Beels	Current status (June 2010)
4	To be handed over by 2011
2	Proposed to drop from project
1	Continuing court case
1	Under customary rule

Table 3. Status of 17 beels, not transferred

Beels	Current status (June 2010)
10	To be handed over by 2011
2	Proposed to drop from project
5	Under customary rule

Detailed of the status of the 93 beels and haors is given in Annex 1.

9.4 Supplementary activities of the project

SCBRMP has had a number of activities for integrated rural development. Apart from fisheries, construction of rural road connects beels to markets, micro-credit programme, new agricultural activities and poultry & livestock development are the main programmes. These initiatives have widened the support of the local community for the project and for the community-based fisheries' management groups.

BUG members are selected from project Credit Organisations, which are the basic organizations of the project at the villages level for operating micro-credit. This linkage has been playing a positive role in fostering the accountability of the fishers' groups and has made them relatively self-controlled.

10. Potential constraints of community based management

10.1 Area identification of the beels or haors

While project had taken over waterbodies from District administration, in some cases a section of the area had not been included in the document. This only became clear at the time of the first harvest. This problem is only found in large beels or haors. But it is important as the excluded part(s) are often the main fishing hubs. These excluded parts are being leased out by the UNO on yearly basis¹⁶ to previous leaseholders or others, but not to BUGs. Even after the BUGs submitted an application and put forward the justification of the importance of these areas for the project group, the UNOs have not handed over these areas to the BUGs.

For example, formally Matian haor was leased to the BUG as 352 acres. Later it was found that another 349 acres of the same water zone was not included, which is strategically the most important for fishing. About 70% of the total harvest of Matian haor comes for the excluded area. The UNO has been given the yearly lease to local influentials and not to the BUG. Similarly, a small part of Boldha has been held by an individual, while the BUG is paying the lease fee for the whole beel, including the excluded area.

10.2 Fish trapping by beel adjacent cultivators

Some land owning villagers have been making ditches in the periphery of the beel to trap fish as the flood recedes. This means the fish become the private property of the owner of the ditch rather than the collective property of the BUG. At some beels this has become a serious issue. As sometimes it is the BUG leadership who own such fish traps, it is difficult to control this. This may be a reason for a reduction in the size of the main harvest in some beels.

10.3 Encroachment of beel area

Encroachments appeared at many beels when project attempted to re-excavate areas within the demarcated beel area. These barriers were created both by influential villagers and by some BUG members. This has raised the question if such demarcation (with the project installing pillars) is really worthwhile.

However, the setting up of such demarcation pillars at the time of takeover of the beel gave the BUG members a feeling of ownership and of a victory against the leaseholders. Once this phase is over, some villagers have attempted to grab the common property. Even some BUG members who have land in the beel periphery have made ditches to trap the fish for their own extraction. This encouraged non-BUG villagers to replicate this encroachment. Interestingly, these so-called

¹⁶ The UNO has the authority to arrange revenue collection when no one is interested to participate in auction for any beel or market or ghat. Then the UNO can give these public properties to individual directly against a annual fee (purpose of extra revenue collection). This system is called 'khas collection'. This system is mostly not transparent.

influential villagers had not dared to make ditches earlier, or were even not allowed to harvest from natural ditches in their own land by the leaseholders' guards.

11. Conclusions

- Historically fishers has a customary right of open access to waterbodies the in the haor region. They had gained this right through their hard labour in developing the 'haor-jungles' into 'haor-fisheries'. But that right was snatched away when the state began leasing out the beels and haors to individuals during the *zamindari* period in British India at the beginning of the 20th century.
- Project interventions, along with a popular movement, has virtually re-established the customary access rights of fishing in inundated water for local fishers and villagers. This is generally accepted in the community. Moreover, supplementary activities of the project like construction of rural roads, micro-credit, agriculture, livestock, and poultry, have broadened community support for the project.
- The basic organization of the project at the village level for all activities are the Credit Organizations (COs), which also operate the micro-credit programme of the project. BUG members have been selected from COs. This linkage has made BUGs members/leaders more accountable and has helped them to become disciplined. Credit through the COs is not less than the income from group fishing. This has provided an incentive to cooperate.
- The community based approach of responsibility for, and management of, haor fisheries has realized the aspirations of poor fishers. Specifically, members' equal shares from main fishing income, guarding on rotation, establishing permanent fish sanctuaries, priority in involving local fishers for main fishing, fishing ban during breeding, and rotation of group leadership, are significant changes in haor-beel management. By the end of the project in 2013, SCBRMP will be implementing community based fisheries management in more than 16% of the total number of waterbodies in Sunamgonj district.
- Many BUG members had actively participated in the earlier movement for fishing rights. Though these demands were not formally achieved formally, the movement played a significant role in weakening the leaseholders' domination. Given this favourable situation, BUGs so far have been operating with limited opposition from former 'waterlord' syndicates. Although waterlords opposed the project by way of lawsuits, the project has had concrete successes. However, a conspiracy has been underway in large haors where waterlords do not want to see themselves replaced by the common people. This situation needs to be addressed carefully through legal procedures.
- At the beginning of the waterbody handover process, the project had to face litigation, conflict or delayed handover in about 25% of the first phase waterbodies. Of them, the most complicated cases were resolved in 2008-2009, during the non-political caretaker government. After these initial problems, however, no new cases have been filed. This indicates that those who do not like the changes that the project has made, are not confident about their chances of

success in thwarting the handover process. For this reason they are not showing much interest to invest money and energy in opposing further handovers.

- The reality is that current ‘waterlords’ are not hard-liners. It was found that the number of powerful waterlords has been significantly reduced, and only one-fourth of them are now active in the trade. So far recruitment of new waterlords is not visible, as had been anticipated after a new political government took office in 2009. It was also found that most of the powerful old waterlords are not being followed by their descendants, who are educated and have a more modern outlook. Moreover, capital accumulated from fisheries has already been invested in other businesses and industries.
- The tension between cultivators and fishers on the use of beel-water in the lean period of winter has largely been resolved by including cultivators and professional fishers together in the beel users groups (BUGs). Most important is that the disagreements among members of BUGs are at low level and not beyond the capacity of being solved internally. The key to the strength of any society is the building of ownership in the organization. This is most important while dealing with common property.
- There are some issues which have not yet become serious concerns, but have the potential to break the cohesion of the groups. Three issues at the moment merit being watched. These are: encroachment of beel area, making ditches for fish trapping in beel adjacent private land, and growing domination of cultivators in the BUGs. In cases of encroachment and making ditches for trapping, both cultivators and BUG members have been involved, and other villagers are also taking the chance to use this opportunity. If the participation by non-fishers continues to increase then BUGs will be dominated by non-fishers. Former leaseholder may, in future, use such non-fisher domination to penetrate BUGs and regain control. A special awareness campaign and training programme regarding this need to be undertaken both at village and beel levels.

Sunamgonj Community Based Resource Management Project (SCBRMP)
(review June 2010)

Status of 93 beels/haors: handedover to the project in the first phase

(117 beels of the second are under final stage of handover, not included in this review)

Table 1. Summary of progress (comparisons between 2008 and 2010)

Status of Beel handover and implementation	Status of 2008	Status of 2010
Beels handed over in favour of the project	93	93
Beels transferred to the community	70	76
Management undertaken at transferred beels	60	66
Transferred but not under management	10	10
Not transferred to project	23	17

Details of the Current status (June 2010)

Table 2. Status of beel handover and implementation (by beel categories)

Status of Beel handover and implementation	(<20 acres)	(>20 acres)	Total beel
Beels handed over in favour of the project	71	22	93
Beels transferred to the community	56	20	76
Management undertaken at transferred beels	48	18	66
Transferred but not under management ¹⁷	08	02	10
Not transferred to project ¹⁸	15	02	17

Table 3a List of beels transferred but not under community management

#	Name of beels	Upazilla	Remarks
	Above 20 acres		
1	Hamhamier beel	Tahirpur	Proposed for drop out for land problem
2	Jalal Prokashito Kaita Beel	Dera	Proposed for drop out for political problem.
	Below 20 acres		
3	Hawa Kai beel	Sunamgonj Sadar	Will be handed over in 2011
4	Putir Dair Gr. Fisheries	Sunamgonj Sadar	Will be handed over in 2011
5	Buri Dacua Beel	Sunamgonj Sadar	Will be handed over in 2011
6	Kamartuk Beel	Sunamgonj Sadar	Will be handed over in 2010
7	Hekkani beels and kara	South Sunamgonj	Under customary rules
8	Jamlabaz beel	South Sunamgonj	Court case, declared status co
9	Layek potir duba	Biswamberpur	Conflict with local mosque committee
10	Boro Kholar Dubi	Tahirpur	Under customary rules

¹⁷ List of beels those transferred but not under management is given in Annex –X (Table 3a).

¹⁸ List of beels those are not transferred to project are given in Annex – X (Table 3b).

Table 3bList of beels not transferred to the project

#	Name of beels	Upazilla	Remarks
	Above 20 acres		
1	Patabuka Digor	Tahirpur	Proposed to select for RAMSER site
2	Chatol Beel	Dera	Proposed for drop out
	Bellow 20 acres		
3	Rohmotpur beel	Sunamgonj Sadar	Under customary rules, will review as per new MoU with MoL
4	Vatinogor beel	Sunamgonj Sadar	To be handed over in 1417 Bangla by new MoU-MoL
5	Boro Kata Beel	Sunamgonj Sadar	To be handed over in 1417 Bangla by new MoU-MoL
6	Della beel o kara beel	Sunamgonj Sadar	To be handed over in 1417 Bangla by new MoU-MoL
7	Kaladuar Gochilara Cheknikara beel	Sunamgonj Sadar	To be handed over in 1418 Bangla by new MoU-MoL
8	Sunapai beel	Sunamgonj Sadar	To be handed over in 1418 Bangla by new MoU-MoL
9	Dewla beel	Sunamgonj Sadar	To be handed over in 1417 Bangla by new MoU-MoL
10	Hazira Beel	Sunamgonj Sadar	To be handed over in 1418 Bangla by new MoU-MoL
11	Matia Dubi beel	Sunamgonj Sadar	To be handed over in 1418 Bangla by new MoU-MoL
12	Bahadurpur beel	South Sunamgonj	To be handed over in 1417 Bangla by new MoU-MoL
13	Sadar purer khal	South Sunamgonj	To be handed over in 1418 Bangla by new MoU-MoL
14	Karar Ua Beel	Biswamberpur	Under customary rules
15	Bagli Chara beel	Tahirpur	Under customary rules
16	Dhamaliya Beel	Tahirpur	Under customary rules
17	Diga beel boro beel	Tahirpur	Under customary rules

Table 4a List of problematic beels: conflict or non functional Beels >20 acres

	Name of Beels	Type of problem	Description of the problem	Status/ action taken (July 2008)	Present status (June 2010)
	Sunamgonj Sader				
1	Gazaria Nodi	Previous leaseholder brought case at High Court	High Court has vacated the case in favour of the project, leaseholder appealed to appellate division of high court for status quo. Leave to appeal has canceled on 28/02/2008.	DC Sunamgonj asked Government lawyer and he opined in favour of project. Soon the beel will be handedover to the project.	Now under management by mitigating all legal issues.
	South Sunamgonj				
2	Pangaiya Boalia	Handed over to project. Management problem	Project formed a BUG but not operational. There are 12 fishers (all are BUG members) who received 40% of catch share. Net profit distributed to all HHs of the village. Leadership is with the vested group. Project has been trying to set proper management.	PMU has considered not possible to introduce successful implementation. PMU is hopeful to establish project management system gradually.	As like as previous system
	Taherpur				
3	Bolda gr. Beel	Previous leaseholder issued case against DC at High Court	High Court has vacated the case in favour of the project, leaseholder appeal to appellate division of high court for status co. leave to appeal has canceled on 05/03/2008.	DC Sunamgonj asked Government lawyer and he opined in favour of project. Soon the beel will be handedover to the project. Project will get involved from 2009	Now under management by mitigating all legal issues.
4	Matian Haor	Previous leaseholder issued case against DC at High Court	High Court has vacant the case in favour of the project, leaseholder appeal to appellate division of high court for status co. leave to appeal has canceled on 05/03/2008.	DC Sunamgonj asked Government lawyer who opined in favour of project. But beel will remain under possession of leaseholder for current year. In the mean time he applied to handover the beel to a cooperative society for long time. It has entered into more complex situation. Now DC vis MoL has to take decision.	Now under management by mitigating all legal issues. But there is some land related problem in the beel area. Project is training to solve the problem.
	Jamalganj				
5	Basker Beel	Previous leaseholder issued case against DC at High Court	High Court has vacant the case in favour of the project on 05/08/2007.	DC Sunamgonj asked Government lawyer on 26/11/2007 but also received lease value for 2008. DC again seek opinion from GP on 15/06/2008. GP asked to get opinion from solicitor Project is confident to get the beels.	Now under management by mitigating all legal issues.
6	Dolapakna beel	Previous leaseholder issued case against DC at High Court	High Court has vacant the case in favour of the project, leaseholder appeal to appellate division of high court for status co. leave to appeal has canceled on 28/02/2008.	To keep continuation of lease value DC received lease value for 2008. However, DC Sunamgonj asked Government lawyer on 15/06/2008 from GP. The GP requested to get opinion from solicitor Project is confident to get the beels.	Now under management by mitigating all legal issues.
	Derai				
7	Baro Medi Beel	Previous leaseholder issued case against DC at High Court	Project paid lease value for 2008. High Court did not cancel the case and asked DC to take decision considering appeal of extension	DC asked opinion from MoL. The law division of MoL has given opinion in favour of the project. Project expect to get the beel soon	Now under management by mitigating all legal issues.

Table 4b List of problematic beels : conflict or non functional Beels <20 acres

	Name of Beels	Type of problem	Description of the problem	Status/ action taken (July 2008)	Present status (June 2010)
	Sunamgonj Sader				
1	Khamartuk beel	Not handover officially	Project has taken over the beel informally from leaseholder in 2005. a group of local villagers have been stopping BUG in fishing	formal handover process will be taken place while all small beels be formalized with MoYS.	Will be handed over from 1417 as per New MoU with MoL.
2	Howa Khai beel	Beel not demarcated	Beel has handed over to the project but not yet demarcated due to local conflict. BUG has controlled over a part of the beel. Previous leaseholder and his group have been controlling a large of the beel. BUG has been paying the lease fee whole beel. Local administration not been cooperating the BUG.	However, PMU has been keeping close relation with local administration and community leaders. PMU is hopeful to bring under management	Will be handed over from 1418 as per New MoU with MoL.
3	Rajar Khali Khal				No problem as such
4	Putir dair beel	Beel in Sunamgonj villages in Jamalgonj	Beel is leased from Sunamgonj sader nad initially BUG formed with form the villages of this upazila which are not nearer, and difficult to control. Some villages of Jamalgonj is very close to Beel and they have been demanding for their inclusion.	It was decided with upazila administration that BUG can include some members from villages of Jamalgonj though it has been leased out from Sunamgonj sader Problem will resolve soon.	Will be handed over from 1418 as per New MoU with MoL.
5	Buri dakua beel	Same	Same as Putir dair	Same as Putir dair	Will be handed over from 1418 as per New MoU with MoL.
	South Sunamgonj				
6	Zamlabaz beel	Union land officer issued case. Against that BUG also issued a case	Both case under way at Sunamgonj court. Project has been paying lease value	Court issued summon to both opponent. BUG can not fish as opponent is influential.	Same as previous
7	Sreenathpurer dola	Local influential issued case against Govt. Against that BUG also issued a case	Both cases under way at Sunamgonj court. Project has been paying lease value	District Court vacated the cases. Fishers allowed to fishing but not possible to face the local influential. As a strategy BMC decided to include some 'local champions' in the BUG to face the opponents.	No problem as such
	Jamalgonj				
8	Lomba beel o gol beel	Delayed handover from upazila	Initially beel was handed over to project two years before in 2006, project paid	Project has paid the lease value for the year of 2008 (bangle 1415) and Project is hopeful to get this beel soon by Local level hand over	No problem as such
9	Dewtan beel				Some local influential filed case in Sunamgonj court against development work. Project has taken initiatives in the court. Now it is under BUG

Annex V: Review of Agricultural Activities

1. Review of project progress

1.1 Demonstrations

In the appraisal report it was planned that the project would set 7,380 demonstrations during the project period (11 years) at cost of Tk4,000 per demonstration. The project started crop and livestock demonstrations during 2003-04 in Sadar & Biswamberpur, 2004-05 in Jamalgonj and 2005-06 in Tahirpur. Up to June 2010 the project set 5,471 demonstrations of which 2,111 were in agriculture, 2,237 in livestock and 1,123 in food processing. Table 1 below shows the distribution of demonstrations and field days as per sub-sectors.

Table 1: Progress in demonstrations and field days

SI #	Demonstration	Target of 2009-10 (#)	Achievement (#) in current year	Project total (#)
1	Agriculture	520	477 (92%)	2111
2	Livestock	415	410 (99%)	2237
3	Food processing	228	119 (52%)	1123
	Total	1163	1006 (87%)	5471
	Field day			
1	Agriculture	145	117 (81%)	566
2	Livestock	127	84 (66%)	435
3	Food processing	16	0 (0%)	236
	Total	288	201 (70%)	1237

1.2 Adaptive research trials

The research trials planned for 2009-10 were: (a) PVS trial in boro rice considering cold injury (b) trial to determine fertilizer rates of BRRI dhan 29 in the project area; (c) variety comparison in boro rice for cold tolerance; (d) determination of the field duration of BRRI dhan 29 with varying seedling ages; (e) variety selection of groundnut; (f) variety selection of sweet potato; and (g) selection of suitable flower species. All trials on boro rice were destroyed by flash floods in late March 2010. Trials designed to select suitable flower species could not be set due to unavailability of planting materials in the locality. The project produced results of groundnut and sweet potato trials. The mean yield of groundnut varieties across locations ranged from 1.65 t/ha (local) to 2.34 t/ha (BARI China Badam 8) with mean of 2.06 t/ha. The yield of local variety was 42% less than BARI China Badam 8, 34% less than BARI China Badam 7 and 26% less than BARI China Badam 6 variety. The mean yield of sweet potato varieties ranged from 18.13 t/ha to 29.64 t/ha. Irrespective of varietal differences the mean yield of sweet potato across locations was found as 23.96 t/ha. Highest yield observed from BARI Misti Alu 8 followed by BARI Misti Alu 7 and BARI Misti Alu 9.

1.3 Seed support programme

The project identified an opportunity to grow a short duration rabi crop in the period after the floods subside in October and boro is transplanted in January. After carrying out some adaptive research trials and demonstrations, four selected rabi crops (mustard, wheat, potato and melon) have been promoted through the provision of seed of modern varieties to farmers. All other inputs are provided by the participating farmers themselves. Up to June 2010 this programme supported cultivation on 697 acres of land (see Table 2).

Table 2: Area coverage of crops under seed support programme

Sl #	Item of activity	Target of 2009-10 (ac)	Achievement (ac) in 2009-10	Achievement (%) in 2009-10	Project Total (ac)
1	T. Aman	43	43	100	43
2	Potato(HYV)	17	14	85	41
3	Mustard	135	242	179	421
4	Wheat	10	16	160	86
6	Mug bean/Black gram	18	13	74	28
6	Sweet gourd	42	52	124	78
All		264	380	144	697

The mean yield of mustard was 1.19 t/ha, which can be considered as a good yield in the context of the national average yield of 800 kg/ha. Similar results were obtained from other crops (Table 3).

Table 3: Production level of seed support crops in rabi season 2009-10

Sl #	Crop	Trial yield (kg/ha)	National average yield (Kg/ha)	Deviation (+ or -) (Kg/ha)	Increase/decrease
1	T. Aman	3.84	2.36	1.48	39%
2	Mustard	1.19	1.04	0.15	13%
4	Wheat	2.42	2.23	0.19	8%
5	Country bean	13.50	9.50	4.00	30%
6	Black gram	1.09	0.78	0.31	28%
7	Sweet gourd	13.50	8.50	5.00	37%

In 2008-09, a total 418 farmers participated in this scheme cultivating 218 acres, which increased to 353 farmers with 283 acres in 2009-10. The project is now phasing out the seed support and only providing farmers with advice and training. With farmers providing all inputs, there has been a large increase in the production of rabi crops from 214 farmers with 73 acres in 2008-09 to 518 farmers with 197 acres in 2009-10 (Table 4).

Table 4: Extension of selected rabi crops

Crop	Seed Support				Without Seed Support				% Change (from 2008-09 to 2009-10)			
	2008-09		2009-10		2008-09		2009-10		Seed support		Without seed support	
	# Farmer	Area (ac)	# Farmer	Area (ac)	# Farmer	Area (ac)	# Farmer	Area (ac)	# Farmer	Area (ac)	# Farmer	Area (ac)
Mustard	214	154	245	235	57	25	110	62	14%	53%	93%	148%
Wheat	100	30	42	15	53	14	94	32	-58%	-50%	77%	129%
Potato	43	11	0	0	42	10	97	31	-100%	-100%	131%	210%
Sweetgourd	124	23	66	34	62	23	217	73	-47%	48%	250%	217%
Total	481	218	353	283	214	73	518	197	-27%	30%	142%	170%

The most popular of these rabi crops is mustard, which has been a great success in Jamalganj upazila. This upazila accounts for 80 per cent of the total mustard-growing area supported by the project in the seven upazilas involved (Sadar, South Sunamganj, Dera, Tahirpur, Biswambarpur, Jamalganj, Dowara-bazaar). The success in Jamalganj has also been featured on a TV news programme.

The mission gathered more information on the dissemination of mustard, with the crop now being taken up by the majority of farmers (see Attachment).

1.4 Impact study of agriculture component

The project has conducted an impact study of agriculture component. The report shows cultivated land per household increased from 195 to 259 decimal (33%) during the period of project intervention. Through adaptive research and demonstrations the project successfully introduced several new varieties of T. Aman like BRRI dhan 33, 44 and 46. The beneficiary households increased their boro rice land from 161 to 206 decimal (up 28%), T. Aman rice land from 92 to 136 decimal (up 48%), wheat area changed from 35 to 42 decimal (up 20%), and potato area increased from 16 to 20 decimal (25% rise). The mean crop yield for project farmers increased by 100%. The yield of boro rice has increased by 86% (3.39 -6.32 t/ha), mustard 166% 0.58-1.53 t/ha), and T. Aman 48% (3.15-4.68 t/ha). The report estimated the average income of marginal farmers across the project area to be Tk26,750, while the income of small farm families was Tk48,125.

1.5 Livestock development

The project has supported vaccination and de-worming campaigns for cattle since 2005. Quite a good numbers of paravets have been developed to promoting prevention and treatment of livestock diseases in the district. It is reported 165,705 large animals have been vaccinated and 39,544 animals de-wormed with project support. In recent years project initiated breed improvement programme in nine upazilas of the district through distribution of bulls of improved breeds and by promoting artificial insemination. In current year the project distributed 15 bulls that have produced 124 known calves. In Jamalgonj upazila, the livestock CDF (Community Development Facilitator) produced 96 calves in 8 months by practicing AI (and getting a payment of Tk 100-150/cow).

The mission saw a number of these development activities in the field and feels that often efforts are too scattered, which does not make good use of project resources, does not create sufficient demand for self-sustaining support services, and does not create a critical mass to show a visible impact and so encourage self-replication. For example the distribution of batches of 10 Sonali birds (8 female and 2 male) to just 23 women in Jamalganj upazila does not create a cluster of demand for continuing support from vaccinators and for the breeding and hatching enterprises needed to continue to supply cross-bred Sonali pullets.

1.6 Training activities

The project appraisal report envisaged training of 6,590 activists during the 11 year of duration of the project at a cost of Tk1,750 per activist. For farmers 23,200 training days at community/field level and 2,624 training days at center/Upazila levels were estimated. Since inception 52,317 farmers received training from the project most of which (46,544) was conducted at the field or community level, with only 4588 farmers received training at the upazila level. The project has concentrated more on activist training than farmer training. Course provided up to June 2010 are shown in Table 5.

Table 5: Beneficiaries trained in different courses under agriculture component

S I #	Training courses	Duration (days)	Up to 2006-07		2007-08		2008-09		2009-10		Cumulative		Total
			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
1	Technology/refresher	1	75	16							75	16	91
2	Technical (field)	1	3003	4607	3456	9243	2289	11993	2104	9849	10852	35692	46544
3	Technical (center)	1	444	655	419	901	275	964	168	762	1306	3282	4588
4	Activist (vaccinator)	12	171	133	24	16	9	10	14	9	218	168	386
5	Vaccinator (refresher)						17	28	37	11	54	39	93
6	External course	6	68	7							68	7	75
7	Swamp tree nursery	3	0	540							0	540	540
Total			3761	5958	3899	10160	2590	12995	2323	10631	12573	39744	52317

Under activist training the project initiated skill development courses on livestock to develop vaccinators & paravets and started a massive vaccination programme for poultry, goat/sheep and cattle. Up to June 2010 the project provided skill development training to 386 vaccinators of which 93 received refresher courses too.

2. Flash Flood in 2009-10

The project area experienced early flash floods causing major damage to boro rice production in current cropping season (2009-10). The following table illustrates the area of boro rice fields which were flooded. Farmers say that the flash flood this year was unusual as it came very early in the latter part of March instead of mid-April - the normal time for flash floods. As reported by the DAE and district administration, the affected area is 100,000 ha. If the average yield is assumed to be 4 t/ha, the loss of production is 4 lakh ton, which equivalent to Tk6,000 million (USD 88 million).

Table 6: Flash flood affected boro rice area in Sunamgonj in 2009-10

SI #	Name of upazilla	Total Boro cultivable land (ha)	Boro rice area (ha) damage by flash flood	% Damage
1	Sunamgonj Sadar	14000	8120	58
2	South Sunamgonj	16100	11700	73
3	B'p ur	10200	4500	44
4	Jamlgonj	17445	8374	48
5	Tahirpur	13250	8930	67
6	Derai	27410	10416	38
7	Doarabazar	10650	7360	69
8	Shalla	22100	10166	46
9	Darmapha	30450	22350	73
Total		161605	91916	57

Source: DAE and district administration

Boro rice is grown on 70% of the cultivable land in the district, although not all haors were affected by flash floods. But in areas where haors were inundated, farmers lost 100% of their rice production. In FGDs at two locations (Sadar upazila) with 20 farmers in each, it was observed that most people have alternative occupations apart from agriculture. Very few people are totally dependent upon crop production. The major strategies to withstand disasters and to recover from the crisis are:

- Operate a small grocery store in nearby markets
- Numbers of family members are in service jobs in towns
- Those who have no alternative source of income go for day labour work in towns such as rickshaw pulling, or work in sand & coal carrying, stone collecting etc.
- Selling of household assets, including livestock, is another way of raising money
- Loans from money lender is another alternate source of cash
- Loans from NGO are also common in the area

To overcome the flash flood the main demand of the people is to re-construct embankments with sluice gates at suitable places. The people of Laxman Sree union and nearby areas need 15 km of embankment with a few sluice gates to protect 6,000-8,000 ha of land from flash floods, which would benefit 20,000 households.

3. Planning for Phase 3 (2011-2014)

The agriculture activities and livestock activities of the project should continue in its present forms as the other components like micro credit and food processing are phasing out. More manpower is needed, but this is especially for field work, and the number of senior staff may be reduced (but there should be at least one SMS agriculture for two upazila instead of three as proposed). A similar strength should be followed for SMS livestock as some new activities are being proposed for the next phase. The agriculture activities of the project have started to show impact on the lives of beneficiaries, so at this stage reducing the activities would not be wise. There are some proposed activities that are works yet to be investigated and expanded. These are described in the recommendation part of this report.

4. Issues and Recommendations

- a) Selection of suitable boro rice varieties with cold tolerance and short duration was the main objective of collaboration with BRRI. A cold tolerant variety is yet to be identified and research should continue to find out a suitable variety to replace BRRI dhan 29, which is popular but long duration and has high risk of damage during flash floods. This work should be continued.
- b) There is scope to increase the area under HYVs of T. Aman rice and rabi crops, which have been shown to have a significant impact. The mission supports to continue the seed support programs in new areas with new households.
- c) During discussion in the field the mission informed bakanae is one of the devastating diseases in rice affecting production, so campaign on seed treatment program of rice should continue and block demonstration on bakanae control should be promoted in the project area.
- d) The project should initiate to promote available low cost technologies in crop production like a) use of USG in boro rice, b) use of LCC in nitrogen application in rice production, c) Use of pheromone trap in producing vegetables especially for cucurbits and brinjal. The mission supports commercialization of crop production that demand to minimize cost/unit area. The above technologies would not only increase the yield but also helps to reduce the cost of production per unit area.
- e) The district has better scope to use surface water in irrigating seasonal crops. The project has already built two submergible dams in Mugai canal of Jahangirnagar Union of Sadar Upazila. The rest of the fund should utilize in installing LLPs in suitable canals and rivers considering large command area and scope of productivity of rabi crops especially high value crops.
- f) In phase 3 the project should adopt a more focused approach to agricultural and livestock development. The current approach is often too scattered, so in future a sub-sector approach should be used, with SMS concentrating on a limited number of specific sub-sectors in each upazila. This approach is being used in a number of other IFAD-

supported projects such as MIDPCR (RED component), FEDEC, MFMSFP and MFTSP. Apart from the field crop technology for boro, aman and rabi crops, the following sub-sectors could be considered:

- i. Chicken – Sonali cross-bred poultry involving a supply chain of model breeder, mini-hatchery, chick rearers, feed sellers and poultry vaccinators.
 - ii. Ducks – improved breeds (Xinding, Khaki Campbell) involving a supply chain of model breed, mini-hatchery, chick rearers, feed sellers and poultry vaccinators.
 - iii. Dairy – cross-bred cows involving AI services (or bull stations), suitable housing, improved fodder, para-vet services (vaccination and de-worming), supplementary feeding. This may be supported through training of para-vets and AI technicians with appropriate residential courses. Fodder crops would also be demonstrated via distribution of planting materials. There is thought to be a sufficient un-tapped market at the village level to absorb significant increases in production, so linkages with distant markets and milk processors will not be needed at this stage.
 - iv. Beef fattening with improved feeding (urea molasses blocks, urea treated straw, fodder crops, supplements), better housing, vaccination and de-worming
 - v. Buck station to provide breeding services to goat keepers. This is a profitable enterprise in itself and could also encompass sheep which are popular in the haor area. Veterinary services for sheep and goats can come from poultry vaccinators and/or para-vets.
 - vi. Tree and plant nurseries producing and selling seedlings of trees and vegetables. There may be scope for flood-tolerant trees and shrubs to also help protect villages from waves, and grafted seedlings of tomatoes for enhanced disease resistance.
 - vii. Floating vegetable gardens
 - viii. Vermicompost using improved varieties of earthworm.
- g) SCBRMP would have much to gain by arranging visits for its project management, field staff and group members to programmes where these and other sub-sectors are being implemented. These programmes include MFMSFP (to also see USG, LCC and pheromone traps), MFTSP (Sonali chickens in Syhet, ducks in Kishorganj, also dairy and beef), FEDEC and MIDPCR. It may be worthwhile to visit REOPA in Habiganj to see vermiculture. There may also be other programmes worth visiting.
- h) The project could also benefit by using training materials and technical manuals produced by other programmes. Some of these use external training providers or have developed farmer-trainers who could be utilized by SCBRMP. For instance, some women who operate mini-hatcheries have become trainers for MFTSP courses on mini-hatcheries. These courses run for 3 weeks so participants get practical experience of a complete egg-hatching cycle from start to finish. Similarly an NGO in Sirajganj provides practical training in dairy farming with trainees working alongside small-scale dairy farmers. Much of the training required is for service providers such as poultry breeding and hatching, vaccination, paravets, buck/ram/bull stations, nursery operators. Such training can be classed as „activist training“, but the objective is to establish these service providers as viable and sustainable businesses.
- i) The project has had an effective Agricultural Advisor, employed on a consultancy basis for limited inputs. The project would benefit from one or more inputs from the Livestock Advisor. The terms of reference for the first input from such an advisor could be as follows:
- Review SCBRMP livestock development activities to date and assess results obtained. Identify strengths and weaknesses in the approach
 - Recommend a strategy for livestock activities during phase 3 of the project that fits within available staff and financial resources.
 - Provide a list of appropriate providers of training and sources of training materials and other programme inputs.
 - Draw up a list of useful contacts and linkages, and identify opportunities for cooperation with other programmes.

- j) The mission feels lack of field staff to support the SMS agriculture and livestock reduced the effectiveness of the field programmes. For the next phase the project should made provision of at least 2 field staffs preferably agriculture diploma for each of the SMSs. Attachment of field staff (agriculture diploma) with SMS level officers is found very effective in technology transfer activities in other project (MFMSFP) in the country. The project still needs consultancy support from senior agriculturist to make good planning in collaboration with BRRI, BARI, BLRI and advisory support in field implementation including reporting of component" s programs in each year.

Attachment – Field visits and meetings

The mission's agricultural consultant visited the project area from 13 to 17 July 2010. After initial meetings and interaction with project officials on 13 July the field visit started in 14 July with the Mission Leader and Project Director. The field visit covered Jamalgonj and Sadar Upazilas where project activities have been implemented since 2003-04. The consultant reviewed the progress of agricultural component of the project against the AR targets as well as the approved AWPBs of 2008-09 and 2009-10. During field visit the consultant conducted two FGDs in Jamalgonj Upazila and two FGDs at Sadar Upazila. At Jamalgonj, the area and yield level of newly introduced mustard was investigated, while at Sadar the FGD focused on damage of flash floods and its immediate impact on the livelihoods of the farmers. The consultant arranged a staff meeting to identify the constraints faced in implementing the field programme and the opportunities that could be successfully addressed in the next phase.

14 July 2010

Site: Chandpur

The mission attended a farmers meeting at Chandpur of Jamalgonj Upazila and conducted FGD to understand the crops and cropping of the location and any improvement due to project intervention. The meeting was attended by 71 farmers (both male and female). The project officials arranged the meeting in a hall room of local market and assembled members of 6 COs. Of the 71 participants 15 (37%) cultivated mustard in current season and 41 (58%) rabi crops of different kinds like potato, chili, stem amaranth, tomato, brinjal etc. Quick assessment observed that the area coverage of mustard per family was 60 decimal and boro rice 90 decimal.

A quick assessment of land ownership found an average of 481 decimals cultivated, of which owned cropland was 390 decimal. On an average each family has 63 decimals of sharecrop land and 15 decimals of leased-in lands. None of the 25 respondents was landless, 92% do sharecropping and 24% lease-in land for cultivation. Of the total cultivated land area, 81% was owned land, 13% share cropped and 3% leased-in land.

More than 60% of farmers have cultivated mustard for the first time with seed support from the project, and the other 30-40% used to cultivate mustard earlier, but grew a local variety. All now grow HYV mustard. On average each HH grows 60 dec of mustard and 90 dec of boro – so 2/3 of boro land is now covered with mustard. Some higher land grows aman after boro, in which case there is no time for mustard. Farmers say the yield of the newly introduced HYV mustard is double that of the local variety. However the yield this HYV mustard ranged from 650 kg/ha to 850 kg/ha, which seems to be low – it should be more than 1.5 t/ha. The reason for low yield was drought, with no rainfall in the area during growing season. Yield of rainfed mustard is generally lower than 1 t/ha. On higher land potato, brinjal, chilli, veg, and amaranth are also grown. Farmers have got some good new cv's from the project – e.g. potato „Diamond“.

Three women in this group have got Sonalis (8 pullets, 2 cocks) from project at a subsidised price. Of these 30 birds, one has died. Some are just starting to lay. They are housed for half day and fed broiler feed and maize. One farmer has been rearing Sonali d.o.c. from the government farm in Bogra – in 3 batches he reared 3,700 d.o.c.. Mortality on first 2 batches was 5%, on 3rd batch was 20%. Do.c. costs Tk20-25 each and he sells for Tk200 (2 months old), making a profit Tk20-25. The project arranged for vaccination. Farmer says 2/3 of chicks were female and 1/3 male. Males were sold in market. Project has distributed batches of 10 birds to 23 members in this upazila. The chick rearer also sold 2,500 to 5 other farmers (seem to be setting up commercial units – project needs to be involved if small batches of 10 are sold to backyard producers for egg production).

One member has 400 ducks – Khaki Campbell. Got training and credit from project. Bought chicks from local private hatchery at Makuli. Another has 550 ducks. These vaccinated by

the SCBRMP office (CDF?). Most ducks are kept by men and most chickens by women. A

CDF (who is a trained vaccinator) vaccinates 100 to 200 birds per month. Also participates in vaccination campaigns and privately vaccinates 5 to 10 cattle per month. Charges Tk2.00 for cattle and Tk0.25 for poultry. A trained lady vaccinator covers 100 birds per month and charges Tk1.00 per bird. Project supplies vaccine. These groups also do beef fattening and produce fodder.

One CO has savings of Tk400,000 after 3 years, and has lent out Tk1,160,000 as savings loans. Have only had one loan of Tk70,000 from BKB. A short road to mosque has been built with profits made by the CO from building a block road. Block road is in perfect condition after 18 months, although gets submerged.

Site: Kamlabaj

The mission attended another farmers meeting at Kamlabaj of Jamalgonj upazila and held a short FGD to find out about the expansion of mustard cultivation after seasonal flood water recedes from the haor before growing boro rice. Of 53 participants (female farmers), 28 (53%) cultivated mustard and 11 (21%) are cultivating T. Aman in the current growing season. All of the participated households cultivated boro rice. Of them 11 (21%) are sharecropping land in addition to their own land, while 18 (34%) have leased-in lands. Households who have no or little own land cultivate crops under sharecropping and leased land arrangements.

Of 53 participant households, 13 were randomly selected and interviewed. The average land owned per family was 132 decimals and cultivated land was 261 decimals. The cultivated area is more than double the owned area as many of them have sharecropped and leased-in land. On average each family cultivated mustard on 60 decimals, boro on 181 decimals (lowland boro 90 decimal and upland boro¹⁹ 91 decimal) and other rabi crops on 20 decimal lands.

Of the total cultivated area, 23% was covered by mustard, 70% by boro rice (30% lowland and 30% upland boro) and 8% rabi crops. Few farmers are growing T. Aman rice so there is scope of introduce HYV T. Aman and to extend of rabi crops using residual soil moisture.

Table: Comparison of mustard area during last two growing season in Kamlabaj

Farmer code	Area cultivated by mustard (decimal)			Yield (md/care)	Yield (kg/ha)
	Last season (2009)	Current season (2010)	% Increase		
1	60	150	150	2.1	692
2	0	60	100	1	329
3	30	90	200	1.5	494
4	60	30	(50)	2.4	790
5	30	60	100	2.5	823
6	30	30	0	1.5	494
7	0	60	100	2	659
8	90	90	0	2.5	823
9	30	30	0	2	659
10	60	60	0	1	329
Mean	39	66	69	2	609

One interesting finding was that the area of mustard in the locality increased by 69%. The farmers said they did not cultivate mustard earlier but after the project intervention they are cultivating the crop before transplanting boro rice. This is an additional crop from the same piece of land. Although the farmers said the yield was very good, in fact it was low as the

¹⁹ Upland boro rice is cultivated with irrigation (mostly by STW). Lowland boro is cultivated in deep haor and is mostly non-irrigated, with irrigation from surface water from beels if necessary.

improved variety of mustard has the potential to produce 1.5 t/ha or more. The farmers grow the crop under rainfed conditions and mustard also needs more nitrogen for high yield. However it can be concluded that, with time, farmers will improve their cultivation methods and will be able to harvest more yield per unit area.

Project activities on livestock development include a CDF trained as an AI technician. An "AI Centre" has been established, and has resulted in 96 calves/pregnancies in 8 months. Of these, 25% were inseminated at the centre and 75% in the village (so why is the "AI centre needed?"). The AI CDF also has a shop and is a poultry vaccinator. He charges Tk100-150 per insemination.

People are not using urea treated straw, fodder crops or urea-molasses blocks as they are not doing beef fattening.

Site: Mannan ghat

This area is famous for tomato cultivation. Most of the farmers are growing tomato as a commercial crop. The cultivation started few years back and many of the farmers improved their livelihoods just from tomato production. In current growing season, the production of rabi crops including tomato was very good and as such price fell down in peak season, which is not uncommon with crop producers. Most of the farmers experienced heavy loss by growing tomato in current season. The price of tomato at farm gate started at Tk 10 but at later part of the season it fell down to Tk 1/kg or even Tk 0.50/kg. The situation compelled the producers/farmers not to harvest because the product cost i.e. the output of labor/day was lower than the labor cost Tk 150/day. Following table shows few examples:

Table: Acreage of tomato per family in Mannan ghat of Jamalgonj

Sl #	Name of farmer	Area cultivated (decimal)	Total sell (Tk)	Total cost (Tk)	Total Profit/loss (Tk)	Profit or loss/decimal
1	Helal	150	76000	115000	(39,000)	(260)
2	Khorshed	90	85000	50000	35,000	389
3	Nuru Mia	120	60000	85000	(25,000)	(208)
4	Harun	60	20000	30000	(10,000)	(167)
5	Golam Faruque	270	200000	280000	(80,000)	(296)
6	Latif	30	5000	20000	(15,000)	(500)
7	Saidur	45	9000	40000	(31,000)	(689)
8	Rais Mia	30	6000	17000	(11,000)	(367)
9	Jalal	60	5000	30000	(25,000)	(417)
10	Farshad	60	20000	35000	(15,000)	(250)
11	Gulzer	30	7000	10000	(3,000)	(100)
Mean		86	44818	64727	(19,909)	(260)

Any adjustment in planting time (early planting) may minimize the loss for farmers – as they would get better prices. Farmers now sow seed in September and transplant in October. If they plant earlier there is a problem of fusarium (wilt) after transplanting due to moist soil. They use a fungicide (Redunil) and plant on ridges but still get high losses. The problem might be mitigated by growing seedlings in poly bag and plant it in main field after one month. One adaptive trial may be set to test if poly bag seedlings can overcome the disease. It is a high rainfall area so not the best area for summer tomato unless farmers are highly skilled and really interested in tomato cultivation.

15 July 2010

The mission made interaction meeting with the SMSs agriculture and livestock to identify the opportunities/scopes of further improvement in crop and livestock sectors. The mission also investigated the major constraints that hinder the assigned activities of the sub-sectors. The SMSs support up scaling of the following activities in crop and livestock sectors in the next phase of the project:

Crop Sector

- Seed support program on T. Aman rice and rabi crops should be continued for marginal and small farmers
- The project should supports/promotes the surface water irrigation for increasing cropping intensity in suitable locations
- Low cost technologies like a) use of USG in boro rice, b) use of LCC in nitrogen application in rice production, c) Use of pheromone trap in producing vegetables especially for cucurbits and brinjal should be promoted
- Efforts should be continued to seed treatment of rice before seeding to control bakanae disease, which is very common in the project area
- The project should made exposure visit to new production systems for farmers and project staff as well
- Location specific need-based training should be arranged as per demand of the farmers
- Adaptive research should be continued in limited scale to identify suitable cold tolerance variety of boro rice and based on field problems
- Efforts are to be continued to establish fruit gardens (different types) in suitable locations and with interested farm families
- Project funds now used for demonstrations could be better used for other agric development activities.

Constraints

- Shortage of field level workers in agriculture and livestock sectors
- Frequent change in manpower: agriculture support coordinator position discontinued for several times, 4 coordinators worked in project period.
- SMSs agriculture and livestock were assigned (location wise) in micro credit management of the project

Livestock sector

- Promotion of artificial insemination for cattle should be continued and up scaled
- Buck station should be supported in limited scale
- Poultry promotion with Sonali breed should be continued and up scaled
- Vaccination and de-worming of cattle should be continued
- Mini-hatchery for duckling should be promoted
- Beef fattening and fodder production should be supported

16 July 2010

The consultant made interaction with a group of farmers (18) at Nilpur bazaar of Sadar Upazila to know the crop-damage caused by recent flash flood (later part of March 2010) in the locality. The participants are:

SI #	Name of farmer	Age (Years)	Family size (#)	# Children	Cultivated land (decimal)/ family
1	Md. Babur Ali	65	12	8	520
2	Abdul Kalam	40	15	4	360
3	Md. Giasuddin	50	6	4	90
4	Md. Faijur Ali	64	9	6	90
5	Md. Assodor Ali	65	10	4	180
6	Abu Sayeed	55	8	6	90
7	Md. Saker Ali	40	10	4	0
8	Md. Sobhan	40	6	4	0
9	Md. Tahir Ali	45	8	6	0
10	Joy Mahmood	40	4	5	90
11	Mr. Anwar	30	7	5	240
12	A. Rafique	55	7	4	45
13	Md. Suruj Ali	55	8	6	90
14	Abdul Wadud	55	10	10	900
15	Mahmood Ali	55	8	6	30
16	A Hashim	45	7	4	120
17	Saju Mia	30	16	4	1260
18	Samsul Islam	42	6	4	30
Mean		48	9	5	230

All participants said they could not harvest any rice (boro) crop from the plots. Of the participants, the majority has alternate income sources such as small grocery stores in nearby markets, service jobs for other family members, selling labor in nearby towns, pulling stone, coal, sand etc. However, due to the flood losses some families would have to sell their household animals (cattle, goat, sheep, poultry etc.), some will borrow money from money lenders and others will have to borrow cash from NGOs. They said reconstruction of an embankment (earlier constructed during the regime of Ershad) could save their crops in some locations. However this would not be a small scale water resource project as the catchment area is more than 8000 ha.

The consultant made another FGD in another location of the Upazila. The responses of the farmers were found to be almost similar to that discussed above.

Annex VI: Results of a survey of five roads

This survey was carried out following a follow-up mission by an IFAD Project Management Advisor in February 2010. During this mission a questionnaire and survey plan was developed. Actual interviews took place in June-July 2010 with data being entered into computers in early July at the start of the IFAD Second Phase Review (SPR) mission. The SPR mission leader analysed the data while in Sunamganj and, with the help of PMU staff, corrected some data errors and omissions.

The survey covered five concrete village roads constructed between two and five years ago. These roads were the following:

Road 1

Upazila: Sadar	
Route of road: Berigaon to Khaitarmor via Krishnanagar school CBRMP Road	
Length of road: 3.4 km	Type of road: RCC Width: 3 m
Date built: 2004/5	
Details: connects six villages of two unions in a good agricultural area, high level of traffic, big economic impact.	

Road 2

Upazila: South Sunamganj	
Route of road: Ganigonj Bazar to Muradpur via Tehokia CBRMP Road	
Length of road: 2.1 km	Type of road: RCC, width: 2 m
Date built: 2004/5	
Details: connects five beels and six remote villages with a growth centre market, significant amount is seasonally submerged.	

Road 3

Upazila: Bishwambarpur	
Route of road: Bishwambarpur to Katakhal CBRMP Road	
Length of road: 3.5 km	Type of road: RCC Width: 3 m
Date built: 2004/5	
Details: connects 11 villages and a growth centre market in one union, high level of traffic	

Road 4

Upazila: Jamalganj	
Route of road: Behily Ghat to Radhanagor CBRMP Road	
Length of road: 1.6 km	Type of road: RCC Width: 2 m
Date built: 2006/7	
Details: connects two villages in one union	

Road 5

Upazila: Tahirpur	
Route of road: Ratansree to Kawkandi CBRMP Road	
Length of road: 6.2 Km	Type of road: Submergible , RCC & Block Width: 3 m
Date built: 2007/8 (4 km) and 2008/9 (2.2 km)	
Details: connects nine villages of four remote unions and a beel. Area has a low level of economic development, but road has an important social impact.	

The survey interviewed a total of 196 people living along the five roads – between 40 and 35 per road (Table 1). Of the total respondents, only 17 were women, making it difficult to draw any conclusions on the opinions of women regarding the impact of roads. Almost three-quarters of respondents gave the main occupation of their head of household as farming (Table 2).

Table 1: Number of survey respondents

Road no:	1	2	3	4	5	total
no.of respondents	40	40	41	35	40	196
male	39	40	39	31	30	179
female	1	0	2	4	10	17

Table 2: Occupation of respondent households

Road	1	2	3	4	5	total
Farmers	63%	63%	90%	83%	73%	74%
trader/business	23%	15%	15%	20%	20%	18%
Transport	5%	0%	10%	0%	0%	3%
service	10%	3%	7%	3%	5%	6%
Other	0%	20%	2%	6%	5%	7%
total*	100%	100%	124%	111%	103%	108%

* total can be more than 100% due to some reporting multiple occupations

Respondents reported a remarkable shift in the mode of transport using the five roads. Before improvement, most traffic was pedestrian and bicycles, with a significant number reporting carts (human or animal powered) and rickshaws. Overall 56% of respondents did not report any use of rickshaws or any form of motor-powered transport before road improvement. After improvement there has been a great increase in rickshaws, motor-cycle and light motor vehicles. Over a third of respondents mentioned that the roads were now used by tractors (2 wheel tractor pulling a light trolley) (Table 3).

Table 3: Mean of transport reported as using sample roads

	percent household reporting								
	pedestrians	boat (in flood)	cart	bicycle	rickshaw / van	motor-cycle	light motor*	tractor	bus truck
Before	63%	22%	34%	65%	39%	5%	1%	0%	0%
After	6%	6%	6%	63%	95%	54%	48%	36%	1%

* auto-rickshaw, CNG, tempo, laguna, micro-bus

Almost all respondents reported that project roads had resulted in improvements in employment opportunities, household income and access to education, health services, markets and town. Over half of respondents said access to markets, education and health was much better (Table 4). Even before roads were built, women from almost all households visited their local town, however the frequency of visits has increased, from an average of 1.59 times per month to 3.53 times.

Table 4: Changes attributed to sample roads

	percent household reporting				
	worse	same	little better	lot better	total
Employment opportunities	0%	6%	54%	40%	100%
Household income	0%	2%	59%	39%	100%
Access to education	1%	5%	37%	57%	100%
Access to health service	0%	2%	42%	56%	100%
Access to markets	0%	4%	38%	58%	100%
Access to town	0%	6%	56%	39%	100%

Table 5 shows how people have switched from travelling on foot to using motorised transport. However this table omits rickshaws and motor-cycles (important modes of transport) and people also report that it is now easier to travel by foot on the roads – with women travelling more than before.

Table 5: Net change in use of modes of transport

percent household reporting							
foot	bicycle	tempo	CNG	tractor	bus	boat	other
-80%	62%	96%	47%	34%	3%	-6%	37%

With the development of roads around three-quarters of respondents report increasing the area of crops grown (Table 6). Although the proportion of respondents reporting growing high-value crops has not changed, 66% report growing an increased area of these crops, with the average area increasing from 35 to 52 decimals. Crop sales have also increased. Although the proportion of respondents reporting such sales has only increased slightly (from 66% to 70%), but the average value of sales has increased by 69% from Tk127,000 to Tk203,000.

Table 6: Change in area of crops

	percent household reporting				
	less	same	more	not grown	total
Paddy	2%	19%	39%	40%	100%
Vegetable & potato	1%	15%	58%	26%	100%
Pulse & oilseed	1%	24%	38%	38%	100%
Other crops	0%	6%	23%	71%	100%

With intensification of agriculture, farmers are hiring more labour. While 45% of respondents reported hiring labour before road development, this increased to 68% after development. It has been difficult to get a reliable estimate on the amount of labour hired, but on average respondents said they employed 9 persons before development and 26 after development. Average daily wages paid have increased from Tk109 to Tk202. Farm transport costs to bring fertiliser to the farm and send crops to market have halved (Table 7).

Table 7: Change in farm transport cost

		before	now	change
fertiliser	Tk per 50 kg	53	26	-51%
crops	Tk per 40 kg	44	23	-49%

There has only been a small increase (from 18% to 22%) in the proportion of households reporting non-farm businesses. However on average their sales have increased by 159% and profits by 162%. The proportion of businesses employing workers increased from 49% to 58%, the number employed increased by 130% and average daily wages increased from Tk119 to Tk164. Better roads meant the cost of transporting one load from an upazila town fell by 49%, and from the district headquarters the cost fell by 62%.

Road construction has enhanced the value of land within reach of the road. All respondents reported increases in land prices, with the average price of homestead land increasing by 113%, agricultural land by 161%, and roadside land suitable for a business increasing by 190%.

In terms of changes in overall standard of living using four indicators, at least 90% of respondents reported improvements, with most reporting moderate improvements (Table 8).

Table 8: Change in living standards

Indicators	Percentage of respondents reporting:				
	worse	same	bit better	much better	Total
Quantity of food	1%	9%	60%	30%	100%
Quality of food	1%	7%	78%	15%	100%
Housing	0%	4%	89%	7%	100%
Household assets	0%	4%	75%	21%	100%
overall	0%	6%	75%	18%	100%

The results of this study show that the vast majority of people living along the line of roads developed by the project thought that the road development had resulted in significant benefits in terms of livelihoods and standard of income. There has been a significant switch to wheeled and motorised transport and the cost of transporting goods has halved.

Attachment: Data on individual sample roads

Types of traffic		Sadar	South	Bish'pur	Jam'ganj	Tahirpur	total
before	Foot	90%	100%	68%	0%	48%	63%
	Boat	0%	0%	68%	0%	40%	22%
	Cart	0%	98%	34%	0%	33%	34%
	Bicycle	53%	100%	51%	100%	28%	65%
	rickshaw / van	13%	100%	39%	46%	0%	39%
	motorcycle	0%	0%	2%	0%	20%	5%
	light motor	0%	0%	5%	0%	0%	1%
after	Foot	3%	0%	15%	0%	13%	6%
	Boat	0%	0%	10%	0%	18%	6%
	Cart	0%	0%	5%	0%	25%	6%
	Bicycle	58%	100%	68%	31%	53%	63%
	rickshaw / van	95%	100%	88%	100%	95%	95%
	motorcycle	78%	3%	63%	51%	73%	54%
	light motor	95%	100%	39%	0%	0%	48%
	Tractor	0%	3%	61%	94%	30%	36%
	bus or truck	0%	3%	0%	0%	0%	1%

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Impact on households

		Sadar	South	Bish'pur	Jam'ganj	Tahirpur	total
Employment opportunities							
	Worse	0%	0%	0%	0%	0%	0%
	Same	8%	0%	0%	0%	23%	6%
	little better	80%	100%	17%	26%	45%	54%
	lot better	13%	0%	83%	74%	33%	40%
		100%	100%	100%	100%	100%	100%
Household income							
	Worse	0%	0%	0%	0%	0%	0%
	Same	3%	0%	0%	0%	5%	2%
	little better	30%	88%	63%	49%	65%	59%
	lot better	68%	13%	37%	51%	30%	39%
		100%	100%	100%	100%	100%	100%
Access to education							
	Worse	0%	0%	2%	0%	3%	1%
	Same	0%	0%	0%	0%	23%	5%
	little better	33%	33%	20%	74%	33%	37%
	lot better	68%	68%	78%	26%	43%	57%
		100%	100%	100%	100%	100%	100%
Access to health service							
	Worse	0%	0%	0%	0%	0%	0%
	Same	0%	0%	2%	0%	8%	2%
	little better	30%	30%	27%	74%	53%	42%
	lot better	70%	70%	71%	26%	40%	56%
		100%	100%	100%	100%	100%	100%
Access to markets							
	Worse	0%	0%	0%	0%	0%	0%
	Same	0%	0%	7%	0%	10%	4%
	little better	30%	38%	32%	31%	60%	38%
	lot better	70%	63%	61%	69%	30%	58%
		100%	100%	100%	100%	100%	100%
Access to town							
	worse	0%	0%	0%	0%	0%	0%
	same	0%	0%	10%	6%	13%	6%
	little better	33%	55%	59%	76%	59%	56%
	lot better	68%	45%	32%	18%	28%	39%
		100%	100%	100%	100%	100%	100%
Visits by women to town							
before	percent HH	63%	100%	100%	100%	100%	92%
	avg visits	1.60	1.28	1.27	1.94	1.93	1.59
now	percent HH	100%	100%	100%	100%	100%	100%
	avg visits	2.55	3.28	3.93	3.17	4.65	3.53

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		Sadar	South	Bish'pur	Jam'ganj	Tahirpur	total
Mode of transport							
foot	less	68%	100%	90%	100%	90%	89%
	same	0%	0%	0%	0%	3%	1%
	more	30%	0%	10%	0%	5%	9%
bicycle	less	0%	73%	0%	0%	8%	16%
	same	0%	0%	10%	3%	5%	4%
	more	98%	28%	90%	97%	83%	79%
tempo	less	0%	0%	0%	0%	0%	0%
	same	0%	0%	12%	0%	3%	3%
	more	100%	100%	85%	100%	95%	96%
CNG	less	0%	0%	0%	6%	0%	1%
	same	3%	0%	0%	80%	3%	15%
	more	98%	100%	24%	11%	3%	48%
tractor	less	0%	0%	0%	6%	0%	1%
	same	0%	0%	0%	86%	3%	16%
	more	100%	68%	0%	6%	0%	35%
truck	less	0%	0%	0%	0%	0%	0%
	same	5%	0%	2%	6%	25%	8%
	more	90%	25%	95%	94%	28%	66%
bus	less	3%	0%	0%	6%	0%	2%
	same	5%	0%	0%	91%	0%	17%
	more	0%	23%	0%	0%	0%	5%
boat	less	70%	0%	95%	0%	0%	34%
	same	8%	3%	0%	97%	10%	21%
	more	0%	93%	0%	3%	43%	28%
other	less	8%	0%	0%	0%	3%	2%
	same	3%	0%	0%	100%	3%	19%
	more	60%	23%	88%	0%	20%	39%
Crop areas							
paddy	less	8%	0%	0%	0%	3%	2%
	same	3%	0%	0%	100%	3%	19%
	more	60%	23%	88%	0%	20%	39%
veg&pot	less	5%	0%	0%	0%	0%	1%
	same	48%	0%	2%	0%	25%	15%
	more	15%	63%	80%	83%	50%	58%
pulse, oil	less	0%	0%	0%	3%	0%	1%
	same	0%	5%	12%	80%	30%	24%
	more	63%	20%	76%	0%	25%	38%
other	less	0%	0%	0%	0%	0%	0%
	same	0%	0%	10%	0%	18%	6%
	more	63%	0%	46%	0%	3%	23%

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		Sadar	South	Bish'pur	Jam'ganj	Tahirpur	total
High value crops							
avg area	before	6.85	94.04	20.59	26.59	38.63	35.32
	now	22.78	123.28	49.27	33.28	41.87	52.30
% HH grow		68%	63%	90%	83%	75%	76%
% HH increase		68%	50%	90%	83%	43%	66%
Crop sales							
before	% HH	48%	38%	90%	80%	75%	66%
	avg Tk	8184	60000	7538	12571	38950	127243
now	% HH	65%	38%	90%	83%	75%	70%
	avg Tk	21385	81533	26986	20845	52133	202883
increase		258%	36%	258%	72%	34%	69%
Hiring of agric labour							
before	% HH	15%	30%	29%	83%	75%	45%
	no. hired	5.67	20.83	7.17	8.93	7.53	9.61
now	% HH	63%	33%	88%	83%	75%	68%
	no. hired	46.64	27.15	36.17	10.21	11.23	25.97
increased employment		8474%	-1%	2010%	50%	64%	383%
wage	Before	82	146	74	116	154	109
Tk/day	Now	169	156	193	259	209	202
	Increase	107%	7%	160%	124%	36%	84%
Transport cost							
fertiliser	before Tk	41	49	40	64	71	53
per bag	now Tk	19	30	22	26	33	26
	Change	-54%	-40%	-44%	-59%	-54%	-51%
crop	before Tk	41	48	31	40	65	44
per md.	now Tk	19	29	22	16	28	23
	change	-54%	-40%	-29%	-60%	-57%	-49%
Business							
% of HH	before	13%	18%	17%	23%	20%	18%
	now	25%	18%	24%	23%	20%	22%
sales	increase	172%	275%	67%	126%	42%	159%
profit	increase	438%	195%	121%	221%	59%	162%
employ workers							
% busin.	before	0%	100%	29%	25%	75%	49%
	now	50%	100%	30%	25%	100%	58%
increase no. of	workers		2%	71%	79%	83%	130%
wages	before	80	191	74	130	133	119
	now	182	167	116	212	150	164
	increase	126%	-13%	57%	63%	13%	38%
ransport cost change							
	to upazila	-55%	-40%	-41%	-60%	-27%	-49%
	to district	-55%	-42%	-40%	-81%	-24%	-62%
Increase in land value							
	homestead	133%	82%	268%	116%	70%	113%
	agric	226%	116%	242%	120%	145%	161%
	roadside	213%	251%	164%	120%	96%	190%

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	Sadar	South	Bish'pur	Jam'ganj	Tahirpur	total
Overall standard of living						
quantity of food						
worse	0%	0%	0%	0%	3%	1%
same	18%	0%	3%	0%	25%	9%
bit better	68%	100%	59%	17%	53%	60%
much better	15%	0%	38%	83%	20%	30%
quality of food						
worse	3%	0%	0%	0%	0%	1%
same	13%	0%	0%	0%	23%	7%
bit better	85%	100%	51%	97%	58%	78%
much better	0%	0%	49%	3%	20%	15%
housing						
worse	0%	0%	0%	0%	0%	0%
same	10%	0%	10%	0%	0%	4%
bit better	90%	100%	82%	80%	93%	89%
much better	0%	0%	8%	20%	8%	7%
household assets						
less	0%	0%	0%	0%	0%	0%
same	13%	0%	3%	0%	5%	4%
bit more	83%	100%	71%	29%	88%	75%
much more	5%	0%	26%	71%	8%	21%

Annex VII: Gender impact analysis

As part of the SPR, a brief gender impact analysis was carried. The field work was done by Rownok Jahan who prepared a first draft report. Additional materials were provided by Michael Roy, and the final report edited by Dev Nathan. Discussions were held with 10 groups in 6 upazilas. Of the participants 134 were women and 14 men. The groups were project COs and BUGs, vegetable producers and those who undertook concrete block road construction.

1. Project Activities

The project activities are centered on the economic issues of access to credit and participation in agricultural and fisheries operations. A novel activity is that of constructing concrete block roads. Along with these project activities, the project also undertook a number of gender awareness and training activities. Gender training was provided to staff at all levels. Promotional materials on gender issues and women's rights, prepared by other organizations, were distributed. The Community Development Facilitators (CDFs) were trained to be able to provide gender training to CO members. Visual and reading materials were provided as aids in training. Links have been formed with other organizations active in the areas of preventing violence against women and promoting women's health. The project has also observed International Women's Day and Women's Health Day.

2. Income and Well-being

As expected, all the 10 groups participating in the Focus Group Discussions (FGDs) reported increases in income. In Khalachanpur BUG women mentioned that now no household in the group goes without food. They have income from both beel fishing and from agricultural production. Besides rice they also eat vegetable and small fish every day. Members of Moinpur BUG reported that previously they used to eat dried fish out of necessity, but now they sometimes eat this out of choice. In Satrumardan in South Sunamganj, representatives from 4 COs reported that they now can afford more rice, vegetables, fish, and meat than before.

Due to increase in income and improved road communications, women mentioned greater expenditure for food, clothes, children's education and health, including their own. They have access to doctors at local, upazila, district and even divisional levels. A few women had been to Sylhet for delivery of their babies through cesarean section. This shows that they have an increased ability to respond to health problems.

Is there any discrimination between boys and girls in food distribution? A member of Aboa BUG replied, "When we are sending our daughters to college, why will we differentiate between boys and girls in food distribution?"

Improvements of well-being are reflected in house improvements; mainly they have replaced thatched with corrugated sheet roofs and extended their houses. At least one woman, Maherjan in Biswamberpur, said that she had purchased 14 decimals of land and constructed a two-room house on it.

SCBRMP installed one tube-well in each group. But now many COs have more than one tube-well as they have acquired extra tube-wells from other Government and non-government organizations. Two of the members interviewed had tube-wells installed in their homesteads. The availability of tube-wells has reduced women's workload. Many women are spending more time in income-earning activities, but it is not clear whether this has been enabled by the reduction in household workload stemming from easier access to tube-wells.

Most households now have hygienic latrines and these are commonly used. This definitely would have beneficial effects on women's health. There are improvements in children's attendance at school, in the quality of housing and clothing. CO members' families are now making savings on a regular basis.

3. New Economic Activities

The main activities, with which women have become involved due to the project, are tree nurseries, homestead resource utilization and vegetable production. Jahanara in Biswamberpur upazila, and Depali in South Sunamganj are examples of successful nursery owners, of whom there are many in the project. Of course, the success of the nurseries depends substantially on the demand for swamp-tree saplings from the project itself. But a majority of the nurseries (54 out of 76 nurseries) also produce other types of trees, and they should not find it difficult to continue after the project-related demand for swamp trees declines. One of the women nursery owners has been given an award by LGED for her efforts at becoming self-reliant and for her encouragement to other women to do the same.

Over the last two years the project has introduced vegetables and crops that are relatively new to the area. These can be grown on lands formerly kept fallow during the winter. Women have taken up production of these crops, such as pumpkin in Lalarchar and mustard in Jamalgonj and Dharmapasha. Besides increased income from sale of these vegetables, there has been a direct nutritional benefit in terms of increased family consumption of vegetables. Some women have earned from Tk11,000 to Tk14,000 from cultivation of mustard and sweet gourd.

In addition, women were trained to add value to their agricultural products. Preparing pickles, *chanachur*, puffed rice, sweets, and drying fish were popular value-adding activities with project women. They were financed through small grants in the name of demonstrations and also through loans, with the women themselves decided on the use of these loans. But with large commercial producers, such as Pran and Square, marketing these items in small packs which can reach even poorer consumers in remote areas, women will find it difficult to compete as small-scale snack producers. Consequently, further support for preparation of snacks for sale has been stopped.

Small animals, such as goat, sheep, poultry and duck are commonly recognized as women's assets. The project helped build capacity of CO members, mostly women, to raise these animals. A good number of women CO members have been trained in livestock vaccination, deworming and treatment, which increase both their mobility and income. About 25 trained women are regularly selling vaccination services to clients and they can earn an average of Tk2,000 per month. The social status of these women vaccinators has considerably increased, as they are considered skilled professionals.

Fodder cultivation, mass vaccination programmes, improved bull distribution, training and credit support for cattle fattening - all these initiatives have been undertaken by the project. In Jamalgonj upazila the Government's artificial insemination centre was made effective by the initiative of the project and people are being benefitted.

Poultry rearing is another popular income generating activity for women. In almost all unions a good number of women are involved in this business at least on a small scale, with backyard rearing that makes a small profit. In the second phase hybrid poultry rearing was initiated by the project. In 6 upazilas *Sonali* cross-bred birds have been distributed to interested poultry farmers. In Jamalgonj upazila an interest-free loan of Tk25,000 was provided to a poultry farmer for rearing *Sonali* chicks. He is now an established entrepreneur. His clients include the project, which has distributed the birds from his farm to other upazilas.

Some women have also established broiler farms. Unlike backyard chickens, a mini-broiler farm is a fairly substantial enterprise, with an income that would make a considerable difference to the household. For instance one mini-broiler farm producing five batches per year can earn up to Tk50,000 in a year. This has brought about significant change in the lives of women, with some even moving into a reasonable middle class status. Further, the managerial skills developed by running a mini-broiler farm are considerably more elaborate than in rearing homestead chickens.

4. Marketing, Mobility and Household Decisions

Work as a CO office-bearer, or even as an ordinary member, takes women to a number of places that they usually would not visit. Being members of COs they took part in residential and non-residential training in Sunamganj. Some members went to BARD, Comilla for training, and a few members went to Gazipur for training in food processing. CO leaders regularly go to the union-level Multi-Purpose Centre (MPC) for meetings and audits. Cashiers of the COs go to banks to deposit and withdraw money. Some women took part in the appropriate technology fair in Sunamganj and a few even came to Dhaka with their produce to join an event organized by LGED in celebration of a century of International Women's Day 2010. Such extensive travel is very unusual for women, but as it is part of their official duties there does not seem to be much opposition from men family members. On such official trips, women were not accompanied by family members, but by project officials.

A good number of women went to upazila and district towns for different purposes, mainly official or medical. Some women went to Sylhet for their own treatment or accompanying family patients.

Women generally do not go to the market for selling or grocery shopping, except for widows and elderly women who have no able-bodied man in the family. Women usually go to the market to purchase personal items for themselves and their children. But on such occasions men often accompany them.

Communications and the level of household incomes are both important factors in whether or not women go to the market. Where household income is quite low, as in Lalarchar, only two women go to the market for shopping. The rest do not go to the market, even for personal shopping. They have very limited income, so when men go to market for other purpose they also buy clothes and other items for women and children. The situation is just the reverse in Pagla, where most of the women go to market because it is very close and they have money. From Anandapurmaheshpurhati in Sulla it is necessary to travel 7 Km by road or water to reach the upazila market at Gungerhat. So, women in this place prefer to go to the nearby Anandapur bazaar for their regular necessities. Only for a wedding or puja do they go to Gungerhat, and then it is in a group. Hindu young women and girls also go to market in a group for shopping during Puja.

From the above there are four factors that operate in determining whether or not women go to market. The first is that of religion, with Muslim women going to markets less than Hindu women. The second is age and marital status. Widowed women, without adult men in the household, have to regularly go the market for shopping.

Besides the above there are two economic factors operating here: volume of shopping and cost of travel to the market. There should be a sufficient volume of shopping in order to justify the expense of going to the market. The volume of shopping depends on household or women's income; while the cost of shopping depends on the nature of communications and distance from the market. The cost, including personal effort and not just monetary cost, is reduced with improved communication, thus promoting greater movement by women to the market. The scale of household shopping depends on income. This factor may be related to not just household income as a whole, but to the income of women themselves. Credit money and the resulting income are both generally accepted as belonging to women, with women deciding on its use. Thus, the higher women's own income, the more likely are women to go to the market. And the easier the communication with the market, the more likely women are to go to the market.

In addition to such straightforward economic factors, there is the factor of women's empowerment. The higher a women's income, the more she is able to assert herself in household expenditures, certainly in deciding on purchasing things for themselves and their children. As has been seen in other areas, when women have their own income, they then tend to assert themselves, for instance, in deciding on saris of their own choice, and not just leaving it to husbands to bring whatever they please. Of course, discussions also showed that women

still do not have much of a role in major household decisions. It could be that, as compared to earlier, they are being consulted in major decisions, but in major matters the decision-maker is still understood to be the man, the head of the household.

5. Introducing Technologies New to the Region

The project has introduced some crops and broiler poultry-raising systems that are new to the area. So far men have been the introducers of new technologies. They receive the training or they learn the technology from other farmers, with whom they interact in the market. Another route for the introduction of new technologies is that of input sellers, who in order to sell their products, instruct men farmers on their uses.

It is unusual for women to be the introducers of new technologies. But the project decided that women farmers' groups would be formed for taking up new crops in lands left fallow in the winter; and also that mini-broiler farms could be taken up by women CO members. Shatrumardan village has a women's CO of potters. These women have been undertaking all types of work related to pottery, but are usually not recognized as being potters, that privilege belonging to men alone. But the project has now got them a foot-operated turning wheel for pottery; again a new piece of equipment in the region.

In themselves these crops and technologies are not new, but they are new to the region. The cultivation of these vegetables and raising of broiler chickens have both spread beyond the initial recipients. It needs to be investigated whether there is an effect on women's social status when they are seen as the bringers of new technologies that benefit the households and the area.

Another new technology introduced by the project is that of concrete block road construction. This work is being done by Labour Contracting Societies (LCS) with forming about 50% of members. They work in separate groups rather than alongside men. One of the women's groups, from Jahnagirnagar Union of Sadar Upazila, became so adept in block manufacturing that the project is planning to use their products to construct roads in other work areas such as Sulla, Deraï and Jamalgonj.

In all FGDs participants expressed their satisfaction with road construction. In LCS road construction women and men got equal wages. Women in all FGDs revealed that roads improved the access of men and women to the local market, school, bank, hospital, MPC (Multi-Purpose Centre) and other important places of the upazila. As a result, their quality of life has improved with better income, education, health, etc.

In Deraï the mission met a very interesting LCS group. Ujjala Rani leader of this all-woman LCS along with 7 other members constructed a connecting road from Shamarchar Bazaar to Shamarchar Nayahati with concrete blocks. They constructed the 166-meter long road single-handedly, without any assistance from men. Afterwards, under the leadership of Ujjala, 31 members of the CO volunteered and constructed an unpaved 50-meter long connecting road in four days. This is an example of women's initiative going beyond the household to the community.

6. Office-bearers, Social Roles and Local Government

In all FGDs women revealed that, with being a member or leader of the CO, their social prestige increased. They held regular meetings and discussed about their life and livelihoods. Before the project and the formation of groups they did not get together in this manner. Leaders received training from the PMU and a few had already worked with an NGO, which built their capacity to lead the COs.

Women are now about 22% of BUG members. A number of them are also leaders of the BUGs, even if the women themselves only participate in supplementary activities, such as sorting fish before sale, rather than in fishing itself. Certainly it is quite novel for women to be leaders of fishing groups and this enhances their prestige in the area.

During the FGD with Jahangir Nagar MPC users, 15 women and girls were present. All the women were CO members and the mothers of the girls present were also CO members. The meeting reported that villagers, particularly women and adolescent girls, of three to four villages use this MPC. They pointed out that villages of this union are well connected by roads constructed by SCBRMP, and that is why quite easily, and at any time, women and girls can gather here for meetings, discussions, recreation, etc.

All the FGD participants reported that they cast their votes and some also took part in canvassing in favour of their candidate. A few women CO members contested the UP elections: in Dowara Bazaar the leader of a female CO has been elected as the upazila Vice-Chair.

What the above shows is that the links of women to each other have not remained confined to that of CO functioning. Once established by membership in the CO, these links have become denser, going on to encompass social and political activities not linked to COs as such. It is more likely that dense networks of relations will be sustained even after the project closes and the COs come to an end. A number of women COs, which have graduated, have decided to continue their group functioning even after project support has ended.

7. Awareness on rights issues

As mentioned earlier, besides undertaking various economic activities, women have also participated in training and meetings on gender issues. Women in the discussions pointed out that, as a result, they are now more aware of their rights. For instance, when they came to know that her husband was threatening a participant in Women's Day rally, the whole group went to that house and talked to her husband. Or, some men passing unfavourable comments about their activities do not deter them. When on returning from a rally on Women's Day, some men passed snide remarks, saying, for instance, „Now women are becoming leaders," they were not dissuaded from continuing their activities.

Formal and informal training have raised gender awareness of a number of issues, including compulsory education for girls and boys, equal treatment in giving food, legal age of marriage being 18 years, prohibition of giving or taking dowry, equal property inheritance rights, and so on. The various gender awareness and training sessions have been an important addition to the basically economic project activities.

Many statements by women during the discussions, show that they are now more aware both of their rights and of the distance they still have to travel in securing equal rights. "We women were treated like broken cooking pots. Now at least we have got a place in the kitchen. We still have to try to get a place in the bedroom," Ujjala Rani, former UP member and LCS leader of Shamarchar Boiragihati, made this statement which is one of many other statements of other women showing their awareness of women's rights.

Gender experts are rightly concerned about women's ownership of productive assets. Maherjan and Aflatun of Biswamberpur do not know the theory, but they proudly said, "We are the only two women in our village who have land in own names. We believe that for women land ownership is an asset, a form of security, a matter of prestige and the source of strength to run a family even without the support of an able-bodied man." In a way, these poor women, with regular jobs in road maintenance, were articulating what is part of gender theory, which stresses the importance of women's ownership of land and other productive assets.

Annex VIII: Review of Financial Management

The Mission reviewed the fiduciary aspects of the Project on the basis of review of documents and records maintained at the liaison office at Dhaka and on the basis of interviews with project financial staff.

A. Financial Management.

A.1. Bank Reconciliation Statements: The Mission found that the project had not reconciled one of the two main operational accounts maintained with Janata Bank at Dhaka and Sunamganj. This needs to be corrected immediately.

A.2. Compliance with recommendations of SM 2009 and follow-up mission has been tardy. Details are in the tables on the recommendations of the last missions.

A.3. Financial Mismanagement: The mission found a number of instances where financial management was below the required standard.

- ❖ Advances to Training Coordinator (TC): every month funds are transferred by the project to the training bank account in accordance with the annual training budget. The TC is supposed to adjust these advances on a regular basis by submitting training vouchers. The Finance Manager did not have information on how much money was transferred to the TC during 2009-10 and how much was adjusted by submission of vouchers. According to a statement submitted by the TC, he received Tk.1,03,90,562 (USD 1,50,000 approx.) from the Project during 2009-10 and submitted vouchers worth Tk.1,03,75,953 to the Project. Vouchers submitted by the TC usually consisted of food bills, stationary bills, payments to resource persons and payments to trainees. These bills are certified by the TC, the SUPM and the SMS, but there was insufficient verification by the PMU and checking of the signatures of trainees as per attendance sheets and payment receipts.
- ❖ Advances to LCS groups for road construction: Although MOUs with LCS Groups provide for 25% advance payment, in actual practice, the Project paid up to 70% where groups need to procure materials. Once the advance was paid, the Finance Unit did not monitor progress or insist on submission of vouchers.
- ❖ Advances to WorldFish Center: The Finance Unit does not control payments to WFC and monitoring is complicated by WFC having supplementary contracts for additional studies.

A.4. Accounting Software: the accounting software is not capable of generating Project Financial Statements (PFS), nor of comparing actual and budgeted expenditure. It cannot track component and activity wise expenditure. The software has several other bugs which need to be attended to on an urgent basis according to the Finance Manager. Unfortunately, the software developer who developed this customized software is not accessible to the Project now as she no longer works for LGED.

A.5. Overstatement of Project Expenditure : Project expenditure is overstated to an indeterminable extent owing to the following reasons-

- Advances to LCS groups for road construction are booked as expenditure when the funds are released to the CO rather than when the work is done
- Advances paid to COs for construction of tube wells and latrines are booked as project expenditure as and when they are released to the CO
- Advances paid to the Training Coordinator on the basis of budgeted expenditure are booked as project expenditure when these funds are transferred to the TC's account.
- Advances made to agencies like WorldFish are booked as expenditure as and when these funds are released

- Advances to COs for conducting demonstrations are booked as expenditure as and when these funds are released to the COs.

A.6. Status of Accounting Records: Entries in the financial software were made only up to 30-06-2010, when the Mission verified the same on 27-07-10. The trial balance and balance sheet prepared and submitted by the project as on June 30,2010 did not contain opening balances and were hence incomplete and unverifiable.

A.7. Quality of Financial Staff: The finance staff at the PMU / liaison Office have neither the aptitude nor the ability to shoulder the onerous responsibilities of financial management of the project. The finance unit at the liaison office comprises of one Finance Manager and 2 Finance Assistants and none of whom have served as independent control points during the year under review. Project funds have been paid out as advance payments to various parties and care has not been taken to ensure that contracted deliverables have been received by the Project.

A.8. Beneficiary Contribution: Beneficiary contributions are being accounted for once a year on the basis of estimates prepared by the M&E department. The finance unit does not verify the correctness of this calculation.

A.9. Transactions with BKB: In the following areas, the Mission found discrepancies in dealings with the Bangladesh Krishi Bank for implementation of the microfinance component of the loan.

- The First Phase Review clearly stipulates that the PMU must monitor disbursements to BKB for Micro Credit so that the disbursements do not exceed the net outstanding of COs to BKB. The cumulative amount transferred to BKB to 30 June 2010 is Tk.903.39 million whereas the net outstanding balance of COs with BKB on the same date is only Tk.208.46 million. This has arisen as the amount outstanding to COs has declined as groups have graduated and the project has wound down BKB lending. There is a need for BKB to return these surplus funds to the project.
- As per the PLA, BKB has to credit 6.5% interest on all microfinance lending from the start of the project, in designated bank accounts. The amount credited to these accounts as on 30 June 2010 is Tk.7.69 million. However, the Project has not calculated the actual amount of interest due from BKB on a cumulative basis and is thus unable to check whether the amount credited so far is accurate or not.

A.10. Fixed Asset Management: The fixed asset management of the project has improved in the last year. However, the following weaknesses still remained.

- ❖ The last physical inventory of assets was conducted in early August 2009. The book balances of some items as per the report did not tally with the Fixed Asset Register (FAR).
- ❖ Fixed assets were not entered in the FAR prior to release of payment to the supplier. As a result, some locally procured items were omitted from the FAR.
- ❖ All offices had submitted asset lists as on 30 June 2010. However, these lists were not reconciled with the FAR and the Mission noted several discrepancies.
- ❖ FAR was not reconciled with the financial accounting software.
- ❖ Fixed assets other than vehicles were not insured.

B. Disbursement.

B.1. Overall Loan Disbursement : As on 30, June 2010, the cumulative disbursement by IFAD against the approved amount of USD 24.942.47 Million stood at USD 15.510.66 Million (62.2 %). The Government of Bangladesh has met 63.8 % of its overall commitment to the project. Beneficiary Contributions stood at 36.8 % of the approved amount . Details are given in Appendix 3 (a).

B.2. Project expenditure by Component: : As on 30, June 2010, the overall expenditure under all components against the approved estimate as per Appraisal Report was 62 %. The expenditure against Component 1-Infrastructure Development was highest at 96 %, expenditure against Component 4-Microfinance was lowest at 37 %. More details are available in Annexure 3(b).

B.3. IFAD Disbursement against loan categories: Up to 30st June 2010, the cumulative loan disbursement stood at SDR 10.56 Million, the WA pending stood at SDR 0.76 Million and the balance loan stood at SDR 6.23 Million. The disbursement was highest against Category I- Earth & Civil Works (97 %) and was nil against Category V Credit. Details are given in Appendix 3 (c).

- C. Counterpart Funds: Counterpart funding requirement by the Government of Bangladesh is set out in Clause 3.05 (b) of the PLA. Which states that counterpart funding of USD 4.463 Million shall be allocated by GoB for this Project over its lifetime. The Mission verified that GoB has met these counterpart funding requirements so far considering the proportion of progress achieved by the Project. Moreover, Government of Bangladesh has been meeting substantially its entire commitment as per approved AWPBs for each fiscal year.
- D. Compliance with Loan Covenants: As reported in Appendix 4, major loan covenants have been generally complied with by the Borrower. However, the following two non compliances are noteworthy.
- Section 2.04 stipulates that loan proceeds must not be used for payment of taxes. However, the Project has been claiming expenditure inclusive of taxes, especially in Category 1, through WAs. However the mission accepts that the wording of Schedule 2 of the PLA is ambiguous which seems to have led to errors in project WAs.
 - Section 3.07 requires all Procurement transactions to be undertaken in accordance with Schedule 4 of the PLA. However, as detailed in the section of Procurement, there have been several violations of Schedule 4.
- E. Procurement: The PLA requires that all Procurement transactions are undertaken as per Schedule 4. Schedule 4 provides for adherence to national guidelines to the extent they are in line with IFAD's Procurement Guidelines. In case of conflict between the provisions of the PPA 2008 and IFAD's Procurement Guidelines, provisions of the latter shall prevail.

E.1. The Mission reviewed several procurement packages for road construction undertaken by contractors and made the following observations. The underlined points have been highlighted in the audit report for 2008-9 also.

- **Splitting of Packages:** Packages were generally split up so that the value did not exceed about Tk. 14 lacs or \$ 20,000. The reason could be that IFAD requires more elaborate documentation for transactions above \$ 20,000. The Project explained that, especially in the case of road construction contracts, it was easier to find more bidders for small contracts than for large ones. Such splitting was approved by the Chief Engineer LGED. The following examples are cited in the audit report.

Road details	Split into	Total Estimate (Tk)
Sulla HQ-Amdopur	17	1,80,78,123
Sulla HQ-Protapbur	19	2,00,72,120
Sulla HQ-Adittapur	42	4,41,19,925
Ratonsree-Kawkandee, Tahirpur	20	2,26,56,800

- **Faulty Bid Evaluation:** The Mission found that the bid evaluation process was faulty. The bid document requires the lowest evaluated responsive bidder to be evaluated

against certain specified qualification and experience criteria mentioned in the bid document. There was no evidence to suggest that this was being done during tender evaluation and there was no mention whatsoever of evaluation against post qualification criteria in the TEC reports. TEC reports merely recommended award of contract to the lowest responsive bidder.

- **Award against Single bids:** Most packages were awarded on the basis of single quotations. As per Clause 30 of the Public Procurement Act, 2008, the Tender Evaluation Committee is allowed to recommend an award on the basis of a single quotation only if the bidder meets all qualification criteria as per the bid document and the quoted price is close to both the market price and the estimated cost. The Mission found that these awards were made to bidders who were not evaluated against qualification criteria and whose prices were in some cases, over 10 % higher than the estimated cost. The Project got Chief Engineer to concur on the award prices being higher than the estimated cost by over 10 %.
- **Tender Opening Sheets:** As per LGED's Tender Opening Instructions, Tender Opening Sheets are to be faxed to the PD's office immediately after tender opening. This is done to avoid unauthorized additions and alterations in the TOS. This instruction was never seen followed by the Project (Instruction 27).
- **Delay in furnishing Performance Guarantee and non validity of bid:** There was sometimes a long gap between bid evaluation and notification of award and then again between notification of award and signing of contract. In the latter case, the delay was most probably due to the inability of the successful bidder to arrange for a performance guarantee, but the project also said that flooding of the work site was a cause of delay. The delay was often 5-6 months. As a result the bid validity (60 days) expired and the contract was rendered invalid. In case of litigation the contractor can easily back out of the contract on the pretext that the contract was executed after the bid validity period.
- **Liquidated Damages:** In a large majority of the cases, works were completed several months late. In some cases extension was sought and granted by the XEN, but the application for extension often came after the scheduled date of completion. Moreover, the XEN has powers to extend the completion date only by 20 %. So most of the extensions granted by the XEN were not valid. In cases of delay where there was no application for extension also, liquidated damages were not collected from the contractors.
- **Retention Money:** On completion of the work the Project is supposed to retain 5 % of the contract value as retention money for one year. It was observed that while some upazilas deducted retention money at 5 %, others did so at 10% without any plausible reason.

E.2. In the case of LCS contract sinking of tube wells and construction of sanitary latrines, the Mission observed as below-

- ✓ The signatures of LCS members in the CO Resolution often differed from their signatures on LCS Committee sheets.
- ✓ Wage payment records relating to LCS members were not available for verification.
- ✓ Attendance records of LCS members, were not available for verification.
- ✓ Tube wells were shown as implemented in MIS records as soon as money was transferred to the CO. Most often this money was withdrawn by the PIC members and used for 3-4 months, without recording in the Cash book, before finally executing the tube well construction.
- ✓ Latrines were shown as constructed in the MIS records as soon as the money for the same was transferred to COs. Actual construction of latrines took place much later and the PMU did not track use of funds related for tube wells and latrines.

E.3. The Mission attempted to reconcile the funds transferred to COs for sinking of tubewells and for the construction of latrines by the PMU with the funds actually spent by the COs on the construction. The reconciliation was done for the period from the start of the project up to 30 June 2010. The tables below show that

- ✓ There is a difference of over 5627 nos (8.6%) between the latrines funded by the PMU and the latrines shown as funded by the upazilas.
- ✓ There is a difference of 93 nos (3.8%) between the tubewells funded by the PMU and the tubewells shown as funded by the upazilas.
- ✓ The actual amount spent by COs on latrines and tubewells up to 30-6-10 is not known.

Reconciliation of funds transferred for latrines from start of Project till 30-6-10

	<u>Amount</u> <u>BDT</u>	<u>No of</u> <u>Latrines</u>
Amount transferred to Cos as per PMU records	3,44,72,900	70722
Amount shown as spent by CO s as per Upazilla records	Not Known	65095

Reconciliation of funds transferred for Tubewells from start of Project till 30-6-10

	<u>Amount</u> <u>BDT</u>	<u>No of</u> <u>Tubewells</u>
Amount transferred to Cos as per PMU records	4,95,36,294	2,573
Amount shown as spent by CO s as per Upazilla records	Not Known	2,480

F. Review of Special Account and other Project Accounts

F.1. The Mission reviewed WA 61 dated 20/7/10 for \$ 651,747.47 and observed as under-

- ✓ the application was properly prepared and signed\
- ✓ funding percentages were determined properly as laid down in Schedule 2 of the PLA
- ✓ The FE rate adopted was the rate at which the previous transfer was made from SAFE account to Project Account.
- ✓ SPA Reconciliation Statement had several errors- project accounts were not properly reconciled, amount pending against previous WAs was not fully recorded and amounts drawn from Special account but yet to be claimed was not recorded.

F.2. The Project has claimed VAT and Income Tax as part of eligible expenditure on all civil works undertaken by contractors from the start of the Project. According to a bill by bill calculation by the Project, this amount which has been wrongly claimed and reimbursed by IFAD aggregates to approximately USD 500,000. These taxes escaped attention in the past because they were part of the rates quoted by contractors against BOQ items.

F.3. The Mission observed that the Project was claiming taxes under other categories also. For example, VAT and tax included in Consultants' bills (Cat IV) was being claimed as eligible expenditure. VAT forming part of material bills submitted by LCS road groups was also being claimed from IFAD. VAT forming part of training material and stationary bills was also claimed through WAs. However, amount claimed under these categories is yet to be quantified (but will be much smaller than that under Cat I – civil works).

F.4. The loan balance as on 30 June 2010 as per project records was reconciled with the corresponding figure as per IFAD records.

G. Audit

G.1. The audit of the Project was conducted by FAPAD for the year ended 30-6-2009. As required by the PLA, the audit package included separate opinions on certified SoEs, the Special Account and the Project Financial statements. The audit report and PFS were rejected by IFAD's Internal Audit Department as the PFS were not in the standard reporting formats prescribed by IFAD and detailed notes to accounts were not furnished.

G.2. The auditors submitted a Management Letter which mainly focused on violations of the PPR 2008. The Management's replies to the audit observations were incorporated in the Management Letter itself. The auditors have not responded to the replies furnished by the project management.

G.3. The auditors have reported that all previous audit observations, other than one issue relating to 2007-8, have been addressed effectively by the Project. The Audit Log is appended in [Appendix 8](#).

Recommendations

Mission Observation	Agreed action	Timeline
Bank reconciliation of 2 major operational accounts not done	To be reconciled by PMU Finance	31-8-10
Partial compliance of SM 2009 Observations	Responsibility for non compliance to be fixed by PD and action to be taken	31-8-10
Insufficient monitoring of advances made to LCS Groups for road construction; to COs for construction of tube wells and latrines; to Training Coordinator for conducting trainings; to Consultants for studies.	PMU Finance to maintain and update advance ledgers showing clearly the advances given to various parties and the vouchers submitted by them to adjust these advances. The advance ledgers will also show any balance outstanding by/ to these parties on any particular date.	30-9-10
The Project has been recording advances to LCS Groups, Training Coordinator and to Consultants as Project Expenditure and claiming the same from IFAD through WAs as eligible expenditure. IFAD has been reimbursing the same. As a result the Project has overstated Project Expenditure since the start of the Project and has made inflated claims to IFAD.	IFAD finances only eligible expenditure and not advances. The Project needs to identify advances outstanding from various parties as on 30-6-10 and credit project expenditure and debit advances in the project accounts. The Project also needs to adjust the excess amount claimed from IFAD through a WA. The Project will be assisted in this exercise by IFAD's Financial Management & Procurement Specialist.	30-9-10
The finance staff at the PMU / liaison office have neither the aptitude nor the ability to shoulder the onerous responsibilities of financial management of the Project. The Finance Unit at the Liaison office comprises of one Finance Manager and 2 Finance Assistants and none of them have served as independent control points during the year under review. Project funds have been paid out as advance payments to various parties and care has not been taken to ensure that contracted deliverables have been received by the Project.	The capacity of Project financial staff will be enhanced through on the job training from IFAD's Financial management & Procurement Specialist.	For 30-45 days during the period from Aug 1-Dec 31, 2010
Beneficiary contributions are being accounted for once a year on the basis of estimates prepared by the M&E department. The finance unit does not verify the correctness of this calculation.	PMU will verify all previous amounts accounted as beneficiary contributions up to 30-6-09 with the help of IFAD's Financial Management & Procurement Specialist	31-12-10
As per the PLA, BKB has to credit 6.5 % interest on all microfinance lending from the start of the project, in designated bank accounts. The amount credited to these accounts as on 30 June 2010 is Tk.7.69 Million. However, the Project has not calculated the actual amount of interest due from BKB on a cumulative basis and is thus unable to check whether the amount credited so far is accurate or not.	PMU Credit Manager will verify the correctness of the interest credited by BKB with the assistance of IFAD Microfinance Specialist	30-9-10

Sunamganj Community Based Resource Management Project – BD 567
Second Phase Review Mission: 11 July - 1 August 2010

<u>Mission Observation</u>	<u>Agreed action</u>	<u>Timeline</u>
Assets are not entered in the fixed assets register prior to release of payment to the suppliers. Cost of assets recorded in the FAR is not reconciled with the corresponding balance in the accounting records	PMU Admin Officer and FM to ensure that all bills are entered in the FAR before payments are released to asset suppliers. FAR to be reconciled with accounting records at the close of each year. IFAD FM & Procurement Specialist will oversee the reconciliation	Ongoing. Reconciliation as on 30-6-10 by 31-12-10
Procurement- Splitting of packages Procurement- Faulty bid evaluation Procurement- Non deduction of liquidated damages Procurement- Wrong deduction of retention money Procurement- Non submission of tender opening sheets to PD's Office Procurement- Signing of contracts after bid validity period Procurement- Submission of performance guarantee after due date	IFAD Financial Management and Procurement Specialist and the Project will work together to ensure better compliance over the remaining project life.	From 1-8-10
Amount transferred by PMU to COs for tube wells and latrines not reconciled with amount spent by COs for the same purpose. Physical quantities of tube wells and latrines paid for by PMU and constructed by COs also vary.	These figures as on 30-6-10 have to be reconciled by the Project Infrastructure Specialist and the reconciliation has to be verified by IFAD Financial management & Procurement Specialist.	30-9-10
Taxes have been claimed by the Project as eligible expenditure through WAs and the same has been reimbursed by IFAD. The approximate amount excess claimed and reimbursed against Cat 1 so far is USD 500000.	The Project needs to quantify the amount of taxes claimed and reimbursed by IFAD against Cat I from the start of the Project till 30-6-10. The calculation has to be verified by IFAD FM & Procurement Specialist. A separate WA has to be prepared with a negative claim under Cat I, amounting to the taxes wrongly claimed from IFAD in the past. On the basis of this WA, RFMO at IFAD, Rome will adjust the loan account. The calculation schedule attached to the WA must be signed by IFAD FM & Procurement Specialist. In future, taxes should not be claimed against ANY category through WAs.	30-9-10

Annex IX: Revision of Project Budgets and Allocation of IFAD Loan

Sl. No.	Name of Items	Unit of Works	Phoso 1 (Yr 1 to 5)		Yoor-4 (2007)		Yoor-7 (3108-18)		Yoor-8(21109-10)		Yoor-11 (2010-11)		Yoor-10 (2011-12)		Yoor-11 (2012-13)		Yoor-12(2013-14)		Phoso-2 (Yr 1 to 8)		Phoso-3 (Yr 9 to 12)		Phoso-1,2 & 3 (Yr 1 to 11)		
			Physical Quantity	Financial lo111	Physical Quantity	Financial	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	Physical Quantity	Financial lo111	
I. Institutional Development																									
Equipment																									
A) PMU																									
1) Computer System	Sel	10	91900	5	30300	0		1	7900	3	30000	2	20000	1	10000	0		9	63200	3	30000	22	1,901.00		
2) Powerpoint projector	set			0						1	15000						1	15000	0	0.00	1	1W.00			
3) MIS Software	Lump Sum	0.3	99.00	0		0		0		0		0		0		0		0	000	0	0.00	0	00.00		
4) FMS Software	Lump Sum	0		0		0		0		0		0		0		0		0	000	0	0.00	0			
5) Photocopier	Sel	1	19700	1	17550	0		0		0		1	17500	0		0		1	17550	1	17500	3	54750		
6) Teleflme	Sel	2	3600	0		0		0		0		0		0		0		0	000	0	000	2	£00		
7) InEcom	Sel	1	3900	0		0		0		0		0		0		0		0	000	0	000	1	3900		
8) Fax	Number	1	3000	0		0		0		0		1	3500	0		0		0	000	1	35.00	2	E0.00		
9) Wireless	Sel	0		0		0		0		0		0		0		0		0	000	0	0.00	0			
10) Generator	Number	1	9500	1	7600	0		0		0		0		1	10500	0		1	7600	1	105.00	3	276.00		
11) Other Equipment	Lump Sum		56000		17400	0	337.00	0		0	24000	0	1000	0	1000	0		0	80120	0	243.00	0	1,601.20		
Sub-total (A):			11	1975	7	729	0	387	1	79	4	190	4	530	2	325	0	0	12	1,885	1	855	34	4,715	
B) Dhalal Liaison Office																									
1) Computer System	Sel	2	19600	2	121.00	0		0		2	20000	0		0		0		4	32100	0	000	6	517.00		
2) Photocopier	Number	1	10200	1	17550	0		0		0		1	21000	0		0		1	17550	1	210.00	3	487.50		
3) Teleflme	Sel	2	2900	0		0		0		0		0		0		0		0	000	0	0.00	2	29.00		
Sub-total (B):			5	327	3	297	0	0	0	0	2	200	1	210	0	0	0	0	5	497	1	210	11	1,034	
C) Upazila Offices																									
1) Computer System	Sel	13	1,131.00	8	48600	4	339.00	4	316.10	4	38000	5	475.00	0		0		20	1571.60	5	475.00	38	3,177.60		
2) Photocopier	Number	9	94600	4	35000	2	190.00	2	187.60	0		5	50000	0		0		8	727.60	5	500.00	22	2,173.60		
3) Teleflme	Sel	4	2100	0		0		0		0		0		0		0		0	000	0	000	4	21.00		
4) InEcom	Sel	3	18900	0		0		0		0		0		0		0		0	000	0	000	3	189.00		
5) Fax	Number	3	9000	0		0		0		0		0		0		0		0	000	0	000	3	90.00		
6) Wireless	Sel	3	22500	0		0		1	9850	0		0		0		0		1	9850	0	0.00	4	323.50		
7) Generator	Number	5	47400	4	30400	1	86.00	1	9950	1	10000	1	10000	0		0		7	59000	1	100.00	13	1,144.00		
8) Other Equipment	Lump Sum	0	35850	0	30000	0	775.00	0	118.38	0	20000	0	20000	0	100.00	0		0	139338	0	400.00	0	2,151.88		
9) Training centre equipment				0														0	000	0	000	0			
Sub-total (C):			40	3,435	11	1,440	7	1,441	8	820	5	1,111	16	1,275	0	200	0	0	31	4,381	11	1,475	87	9,291	
Total (Equipment):			11	5,737	26	2,465	7	1,828	9	899.08	11	1,570	16	2,015	2	525	0	0	53	6,762	18	2,540	132	15,039	

Sunamganj Community Based Resource Management Project- BD 567
Second Phase Review Mission: 11 July - 1 August 2010

Sl. No.	Name of Items	Unit of Works	Phase-1 (ir 1 to 11)		Year-6 (2007-08)		Year-7 (2008-09)		Year-8 (2008-10)		Year-9 (2010-11)		Year-10 (2011-12)		Year-11 (2012-13)		Year-12 (2013-14)		Phase-2 (ir 1 to 8)		Phase-3 (ir 9 to 12)		Phase-1,2 & 3 (Yrs 1-12)	
			Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)	Physical Quantity	Financial (Taka)
Eligible Items:																								
	1) Furniture (PMU Office)	Set	05	335.00	1	241.38	0		0	50.00	1	600.00	0		0		0		2	891.38	0	0.00	3	1,226.38
	2) Furniture (DLO)	Set	1	150.00	1	241.38	0		0		1	250.00	0		0		2	491.38	0	0.00	3	641.38		
	3) Furniture (Upazila Office)	Set	6	709.00	4	965.54	2	458.20	1	383.93	0		2	300.00	0		7	1807.67	2	300.00	15	2,866.67		
	4) Training centre furniture																0	0.00	0	0.00	0			
Total (Furniture) :			8	1,194	1	1,448	2	458	1	433.93	2	850	2	300	0	0	0	0	11	3,190	2	300	21	4,184
Vehicles																								
A) PMU																								
	1) 4110 Vehicles	NumOO	2	2,744.00	0		2	5,253.00	0		0		1	5,000.00	0		0		2	5,253.00	1	5,000.00	5	12,997.00
	2) Speedboat	NumOO	2	980.00	0		1	1,139.00	0		0		0		0		1	1,139.00	0	0.00	3	2,119.00		
	3) Motorcycle	NumOO	4	458.00	5	672.73	0		0		0		0		0		5	672.73	0	0.00	9	1,130.73		
	Sub-total (A) :		8	4182	6	172.73	3	1392	0	0	0	0	1	11000	0	0	0	0	8	7014.73	1	11000	17	1241.73
B) Dhaka Liaison Office																								
	1) Car	NumOO	0		0		0		0		0		0		0		0		0	0.00	0	0.00	0	
	Sub-total (B) :		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C) Upazila Offices																								
	1) Motorcycle	NumOO	56	4,919.00	50	6,727.27	40	3,720.00	0		0		0		0		90	10,447.27	0	0.00	146	15,366.27		
	2) Bicycle	NumOO	9	49.00	2	10.00	5	29.00	1	5.50	0		0		0		8	44.50	0	0.00	17	93.50		
	Sub-total (C) :		15	4968	52	6,737.27	46	3,749	1	5.50	0	0	0	0	0	0	98	10,491.77	0	0	163	15,459.77		
	Total (Vehicles) :			9150		7410		10141		55		0	1	5000	0	0	0	0	106	17556.5	1	5000		31706.5
Training																								
	A) PMU Office (Mangl Training)	Lump sum	8	2548.00	16	1876.00	17	4,750.00	10	4,255.99	0	2583.00		504.00	0		0		43	13464.99	0	504.00	51	16,516.99
	B) Upazila Office	NumOO	33	517.00	0	0.00	0		0		0	2,027.00	0		0		0		0	2,027.00	0	0.00	33	2,544.00
	Total (Training) :		41	3015.9	16	1876	17	4750	10	4255.99	0	4610	0	504	0	0	0	0	43	15491.99	0	504	84	10061.89

Sunamganj Community Based Resource Management Project- BD 567
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Sl. No.	Name of Items	Unit of Work	Phase 1 (Yr 1 to 5)		y (2007-Q1)		y187(21X841)		Year-S(2009-10)		Year-9(3110-11)		Year-10(2011-12)		Year-11 (3112-13)		Year-12(2013-14)		Phase-2(Yr6 to 8)		Phase-3 (Yr 9 to 12)		Phase-1,2 & 3(Yrs 1-11)	
			Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial
Staff SalaJ{																								
A) PMJ																								
	1) PropdDndcr	Nurrler	1	SQ)fi	1	276(6	1	37573	1	43827	1	13125	1	1.7 (0)	1	1.00(0)	1	1946(0)	1	241115	1	5,54400	1	887704
	:j L StnX<t Expa1	Nurrler	0		0		0		1		1	2)00	1	770(0)	1	812(0)	0		1	2)00	1	1.532(0)	1	2.107.00
	:j Sr Socio Orgriser	Nurrler	1	1.0ffi t)	1	42225	1	47475	1	m	1	2)00	1	770(0)	1	81200	1	42700	1	1912	1	2CD9(0)	1	5.010(13
	Credt M	Nurrler	1	1.23100	1	43800	1	4(0)	1	ffiH	1	2)00	1	770(0)	1	812(0)	1	427.00	1	1915HJ	1	2CD9(0)	1	5.2045)
	Fwm:e Mar>agll'	Nurrler	1	54971	1	1(0)81	1	22721	1	23310	1	5:5CD	1	770CD	1	81200	1	85400	1	114626	1	2.42600	1	4.13197
	(jlv&E Spe:taist	Nurrler	1	1.71300	1	438(0)	1	6'00	1	48889	1	2)00	1	770(0)	1	81200	1	85400	1	191389	1	2.426(0)	1	6.CBJ89
	7) Tirarong Cocronatcr	Nurrler	1	1.254.19	1	42225	1	47925	1	m	1	2)00	1	770(0)	1	812(0)	1	427.00	1	1917.00	1	2CD9(0)	1	5.teo19
	PeIS/Mnn	Nurrler	1	84000	1	258CD	1	2000	1	299CD	1	322CD	1	448CD	1	47320	1	24920	1	115900	1	1,17005	1	3.1ffi d
Sub-0):																								
ii) Staffs:																								
	1) Sr. CorllXJler Operator	Nurrler	1	41477	1	1<100	2	239(0)	2	310	2	:RJ(0)	2	560(0)	2	533(1)	2	3)300	2	1139	2	1,45600	2	2.91027
	:j Fw:arce Ass taJ	Nurrler	1	57741	2	31)48	2	37700	2	416(0)	2	476(0)	2	672(0)	2	70100	2	728(0)	2	'6)448	2	2.10000	2	4.26186
	:jlv&E aesSt.n	peISm/yr			2	23.48	2	ZJ0(0)	1	259(0)	1	322(0)	1	448(0)	1	47320	1	.ffi<1	6	110248	3	1,4194D	9	2.52208
	Credt asstart (PMJ)	pe13myr			1	72CD	1	S600	1	266CD	1	322CD	1	448CD	1	47320	1	24920	4	75600	3	1,170<1	7	1.933<0
	Secret"Y	Nurrler	1	2'B08	1	12593	1	<DJ(0)	1	149	1	161(0)	1	252(0)	1	al320	1	137.20	1	576.48	1	(132<1	1	1,48686
	(j Druer ehcle)	Nurrler	2	39141	2	17768	2	19600	2	215(0)	2	238(0)	2	392(0)	2	41440	2	42680	2	82668	2	1,24320	2	2.46129
	7) Druer oft	Nurrler	2	27200	2	16677	2	tffi(0)	2	206(0)	2	238(0)	2	39200	2	41440	2	21840	2	?re.77	2	1,024CO	2	2.(1ej5f
	lv'ffisergJII Peoo	Nurrler	2	:E8(2	2	15191	2	14800	2	1(60)	2	210(0)	2	J34(0)	2	30040	2	<1)880	2	67491	2	1,15920	2	2.19273
	Sj Nig-dijffil	Nurrler	2	270ffi	2	14993	2	168(0)	2	186	2	210(0)	2	J34(0)	2	30040	2	<1)81J	2	714.48	2	1,159.20	2	2.14456
	cj OfcH8per	Nurrler	1	1&l 9)	1	7518	1	2500	1	75CD	1	105CD	1	182CD	1	19320	1	10220	1	28018	1	477<1)	1	92248
Sub-0i):																								
			12	270101	16	16211.41	17	1867	16	22485	16	2632	16	4074	16	4292.4	16	3496.8	24	837391	20	118622	10	22944.19
Sub-(A):																								
			19	10361.03	23	4042.37	24	1.01	24	5179.26	24	7416.5	24	10892	24	11a:6	23	11ia)	32	2126621	28	31057.6	36	62684.84
B) Dhaca Liaison Office																								
i) Officers:																								
	1) Ofcoe M1m:Jer	Nurrler	1	67200	1	216(0)	1	238(0)	1	251(0)	1	280(0)	1	448(0)	1	47320	1	249.20	1	991(0)	1	1,170.40	1	2833<d)
Sub-0):																								
			1	672	1	216	1	236	1	257	1	29)	1	448	1	4732	1	249.2	1	991	1	1110.4	1	28334
ii) Staffs:																								
	1) Ofcoe AssSt n	Nurrler	1	29617	1	101.93	1	112(0)	1	121	1	133(1)	1	224(0)	1	2Xi20	1	12320	1	.ffl.43	1	532<1)	1	1,34700
	:j Druer	Nurrler	1	19193	1	ffi84	1	9300	1	107	1	119CD	1	196CD	1	20720	1	10920	1	41334	1	512<d)	1	1.12072
Sub-0i):																								
			2	491	2	191	2	210	2	229	2	252	2	420	2	442	2	232	2	882	2	1,096	2	2,468
Sub-(8):																								
			3	1,183	3	407	3	448	3	486	3	532	3	868	3	916	3	482	3	1,873	3	2,265	3	5,111

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Sl. No.	Name of Items		Unit/Works	Phase-1 (Yr 1 to 5)		Phase-2 (2007-11)		Phase-3 (2008M8)		Phase-4 (2009-10)		Phase-5 (2010-11)		Phase-6 (2011-12)		Phase-7 (2012-13)		Phase-8 (2013-14)		Phase-9 (Yr 1 to 8)		Phase-10 (Yr 9 to 12)		Phase-11, 12 & 3 (Yrs 1-11)			
				Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii	Physical Quantity	Financial Iotii
C) Upazila Offices																											
i) Officers:																											
1) Senia UPM			Number	5	4,650.00	9	3,008.68	9	2,700.94	9	3,185.73	9	3,700.00	9	5,040.00	9	5,292.00	9	2,772.00	9	12700.35	9	13,104.00	9	30514.35		
2) SMS (Tramng)			Number	5	1.6400	6	1.49154	9	2,149.50	8	1.611000	4	1,28500	4	1.79200	3	1,41960	0		4	692024	3	3.211 60	3	11,995.84		
3) SMS (SoEcor.,mc)			Number	5	3,464.00	6	1,156.82	5	1,270.00	6	1,254.02	5	1,610.00	5	2,240.00	5	2,366.00	5	2,492.00	5	5200.84	5	7,008.00	5	15852.84		
4) SMS (Fish)			Number	5	3.28400	9	1.822.44	9	1,747.07	9	2.06800	9	2,698.00	9	4.03200	9	4,258.80	9	2,242.80	9	5535.51	9	10,533.60	9	22,353.11		
5) SMS (Livestock)			Number	5	3,117.00	7	1,205.84	8	1,447.00	6	1,377.66	4	1,285.00	3	1,344.00	3	1,419.60	0		4	538.50	3	2,763.60	3	11,199.10		
6) SMS (Agl)			Number	4	3.03500	7	1.66500	9	1,937.39	8	1.876.44	4	1,28500	3	1.344 00	3	1,41960	0		4	6766.83	3	2,763.60	3	12565.43		
7) SMS (Food Process)			Number	4	2.00400	3	56026	1	264.10	1	7300	0		0		0		0		0	00326	0	000	0	3.807.26		
8) Social Organ			Number	30	7,421.00	46	5,641.18	54	6,723.58	52	7,248.49	39	6,279.00	34	8,568.00	24	6,368.00	0		191	25892.25	58	14,884.50	279	48,198.05		
9) Croot OHcer			Number	5	1.52900	9	1.10418	9	1,254.63	8	1.14950	9	1,575.00	9	2.52000	9	2,64600	9	1.386 00	35	508331	27	6,562.00	67	13,164.31		
10) Sub-Assistant Enl]neer			person-yr			9	1110.00	10	1,363.47	10	1,138.76	12	2,100.00	12	3,300.00	12	3,528.00	12	1,848.00	41	5942.23	36	8,796.00	77	14,678.23		
11) SO for Phen			person-yr			7	74364	9	1,232.67	9	1.21950	26	4,116.00	32	5,040.00	37	9,738.40	37	5,076.40	51	738181	106	22,878.50	157	30,260.61		
12) Upazila Maroger			Number	0		0	0.00	0	0.00	0		0		0		0		0		0	0.00	0	0.00	0			
Sub-total (i) :						18	31218	118	19504.88	132	22111.35	121	22817.9	121	21292	111	38304	114	38404.8	81	15817.2	353	90795.6	259	92521	112	214589.13
ii) Staffs:																											
1) Actin Asstsbrit			Number	4	94300	3	30531	6	51806	9	85661	9	1,197.00	9	2,016.00	9	2,116.80	9	1,108.50	9	2875.98	9	5,241.60	9	9,060.58		
2) Finance Asstsbrit			Number			7	39552	9	52077	6	21000	0		0		0		0		0	14292.9	0	0.00	0	1,429.29		
3) Jr Commisler Operata			Number	4	825.00	3	305.56	6	543.87	1	107.50	0		0		0		0		0	956.92	0	0.00	0	1,781.92		
4) Croot Clerk			Number	4	51900	4	27414	8	56510	9	90725	9	1,197.00	9	2,016.00	9	2,116.80	9	1,108.50	9	2943.49	9	5,241.60	9	9,004.09		
5) Messenger/Peen			Number	5	63800	6	392.33	9	639.89	9	700.32	9	945.00	9	1,638.00	9	1,738.80	9	919.50	9	2737.54	9	4,296.60	9	7,672.14		
6) Night Guard																				0	0.00	0	0.00	0			
7) Office Helper																				0	0.00	0	0.00	0			
Sub-total (ii) :						17	3225	23	1175.85	38	3187.19	34	2841.8	27	3339	27	5110	27	5972.4	27	3137.4	27	10943.12	27	14779.8	27	18948.02
Sub-total (C) :						85	34493	141	2180.73	170	25218.04	110	21158.58	141	29131	147	43974	141	44377.2	108	18954.1	380	101738.35	281	107311.8	139	243537.5
Total Staff Salary (A+B+C) :						107	41017	167	25,611	197	31,344	187	31,323.84	175	37,510	174	55,734	168	56,778	134	28,116	415	124,877	317	140,629	611	311,523
Other Operational Cost																											
A) PMU																											
1) Travel and Allowances			LS	0	1,161.00	0	512.00	0	415.7	0	590.09	0	600.00	0	600.00	0	600.00	0	400.00	0	2103.74	0	1,600.00	0	4,864.74		
2) Equipment O&M			LS	0	648.00	0	274.76	0	395.00	0	112.57	0	320.00	0	320.00	0	320.00	0	300.00	0	1103.23	0	940.00	0	2,691.23		
3) Vehicle O&M			LS	0	1,464.00	0	1,146.80	0	1,006.78	0	724.23	0	1,200.00	0	1,200.00	0	1,200.00	0	600.00	0	4077.81	0	3,000.00	0	8,541.81		
4) Office Rent			No	0	952.00	1	69.00	1	77.00	1	35.00	1	100.00	1	100.00	1	100.00	1	100.00	1	281.00	1	300.00	1	1,533.00		
5) Financial Survey & Shucl			No	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0			
6) Other Office Operating Cost			No	0	5,014.40	0	1,450.02	0	1,712.67	0	1,733.34	0	1,500.00	0	1,500.00	0	1,500.00	0	1,000.00	0	6426.03	0	4,000.00	0	15,440.43		
Sub-total (A) :				0	9239.4	1	3482.11	1	3139.2	1	3195.23	1	3720	1	3711	1	3720	1	2410	1	13991.81	1	9840	1	33071.21		

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Sl. No.	Name of Items	Unit of Works	Phase-1 (Yr 11 to 12)		Yr 11-12 (2011-12)		Yr 12-13 (2012-13)		Yr 13-14 (2013-14)		Phase-2 (Yr 16 to 18)		Phase-3 (Yr 19 to 21)		Phase-4, 2 & 3 (Yrs 1, 11)										
			Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial									
			Quantity	total	Quantity	total	Quantity	total	Quantity	total	Quantity	total	Quantity	total	Quantity	total									
B) Dhaka Liaison Office																									
1) Travel Allowance	LS	0	23.00	0	1000	0	491	0	11.23	0	15.00	0	1500	0	1500	0	1000	0	41.23	0	4000	0	119.23		
2) Equipment O&M	LS	0	15400	0	ff45	0	01500	0	751	0	7000	0	7000	0	7000	0	3000	0	3ff69J	0	17000	0	OIB9J		
3) Vehicle O&M	LS	0	33.00	0	313.70	0	335.50	0	48303	0	450.00	0	450.00	0	moo	0	300.00	0	1537.23	0	1,200.00	0	3,117.23		
4) RET!	No	0	67200	1	2300	1	1	1	1	1	1	1	1	1	1	1	2300	1	2300	1	000	1	701.00		
5) Operating Cool	LS	0	9J4.00	0	253.00	0	3>100	0	23893	0	moo	0	moo	0	moo	0	200.00	0	B:1293	0	1000.00	0	3,3:693		
Sub-total (B):			0	0	2018	1	671.15	1	656.41	1	963.79	1	935	1	935	1	935	1	540	1	3226.35	1	2410	1	7734.35
C) Upazila Offices																									
1) Travel Allowance	LS	0	2,9:500	0	1474.12	0	100J52	0	1,111.53	0	1,620.00	0	1,500.00	0	1,500.00	0	9J1.00	0	tm3.17	0	39J1.00	0	13218.17		
2) Equipment O&M	LS	0	1,0ff.00	0	rom	0	707.00	0	17034	0	50J.00	0	50J.00	0	50J.00	0	480.00	0	193308	0	1,431.00	0	4,452.03		
3) Vehicle O&M	LS	0	2,111.00	0	1,123.00	0	1,11532	0	1,723.00	0	1,800.00	0	1,800.00	0	ts:moo	0	100J.00	0	004852	0	O0000	0	12,ff152		
4) Vehicle Man-Jeroort	Mrnm	6	300.00	0	0	0	0	0	1	12000	1	12000	1	12000	1	moo	1	12000	1	12000	3	23000	10	M.00	
5) Boat Hire	LS	0	2,337.00	0	1,311.00	0	1,04270	0	1,271.06	0	1,50J.00	0	1,800.00	0	1,500.00	0	9J1.00	0	512586	0	450J.00	0	11,952.86		
6) RET!	No	0	1,406.00	9	M.OO	9	1,100.70	9	1,304.00	9	1,50J.00	9	1,50J.00	9	1,50J.00	9	1,00J.00	9	4800.70	9	4,000.00	9	10,3:6.70		
7) Other Of Operating Cool	0	0	7,917.00	0	2064.43	0	2,423.33	0	3,210.13	0	1,50J.00	0	1,50J.00	0	1,50J.00	0	75000	0	93:1389	0	3,750.00	0	20,860.89		
Sub-total (C):			0	6	8125	9	7531.44	9	8275.57	9	9318.16	10	8440	10	8720	10	8420	10	518	10	33625.17	12	22290	19	73940.17
Total (Other Opening Cold):			0	6	29362.4	11	11685.25	11	12525.9	11	1E7.18	12	11195	12	13375	12	11	12	1m	12	m84333	14	34540	21	114745.73
Technical Assistance & Studies																									
A) MC<mLJiaJ	MM	31	4861.00	12	1,ff100	12	1,76270	12	2,014.43	12	1,800.00	12	2,000.00	12	2,400.00	6	1,200.00	48	7245.13	30	6,000.00	109	18106.13		
B) Ev.- & P/Ci Corfi)elm/RIMS	SILK/	1	97500	0	0	0	0	1	1,204.113	0	0	0	0	0	0	1	ts:moo	1	1204.7E	1	1,500.00	3	3,679.7E		
Ev.- & Pni Corrpim!oclsuJy	SILK/	0	0	0	0	0	0	1	1,000.00	1	100J.00	1	100J.00	1	100J.00	1	200J.00	2	2000.00	1	2,000.00	3	400J.00		
C) Toctn:o.-Ass/ Oltff silKles/GC	silK {	2	229.00	4	2389J	4	286.-1)	4	237.8)	2	20000	2	300.00	2	:moo	0	0	14	1323.10	4	60000	20	2,152.10		
D) Toctn:oaAss /MIS spocrasI	MM	0	0	4	:BJ9J	2	123.40	0	0	2	40000	2	30000	2	:moo	0	0	8	91730	4	m000	12	1,517.30		
E) Partqlarve M&E WOO-s/qf	WOO-s/qf	2	202.00	0	0	0	0	1	50000	0	0	0	0	0	0	1	1,00J.00	1	50J.00	1	1,000.00	4	1,702.00		
F) COOmlloaiKrs an: ffilica t<Xl	sum	0	0	0	0	0	9J1.00	0	0.00	0	m000	0	m000	0	m000	0	6J1.00	0	150J.00	0	VM00	0	3,300.00		
COOlmmy Dev8C/roort Footakcs	Nurrlff	0	1,117.00	137	1,641.20	1-tl	2966.08	145	4,281.81	100	4,200.00	50	2,800.00	15	0000	0	0	528	13089.09	ffl	3,640.00	593	17,846.09		
1rtasru:ltre MJ ccmu lar!	MIV1	12	42000	12	473.00	12	ff7.00	12	421.00	12	525.00	12	7,700.00	14	81200	7	427.00	48	1ff1300	33	2,009.00	93	4,282.00		
J) LACI Perfor Rw/Exlema arl!	ALKil	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total (Technical Assistance & Studies):			48	71104	119	4497	111	1100.118	171	9809.8	129	87211	78	7170	45	11212	11	1727	150	29132.38	139	19149	837	1111185.38	
Total (Institutional Dev.)				102,329.98		55,011.42		66,648.00		50,265		66,429.m		84,098.00		75,64		42,933.20		248,354.24		202,661.m		553,345.82	

Sunamganj Community Based Resource Management Project- BD 567
Second Phase Review Mission: 11 July - 1 August 2010

Sl. No.	Name of Item	Unit	Worn	Ph-1 (Yr 1 to 5)		Ph-2 (2007-re)		Ph-3 (2001-09)		Ph-4 (2009-10)		Ph-5 (2010-11)		Ph-6 (2011-12)		Ph-7 (2012-13)		Ph-8 (2013-14)		Ph-9 (Yr 6 to 8)		Ph-10 (Yr 9 to 12)		Ph-11, 12 & 3 (Yr of 11)	
				Physical Quantity	Financial lot	Physical Quantity	Financial	Physical Quantity	Financial lot	Physical Quantity	Financial total	Physical Quantity	Financial total	Physical Quantity	Financial total	Physical Quantity	Financial total	Physical Quantity	Financial	Physical Quantity	Financial	Physical Quantity	Financial total	Physical Quantity	Financial lot
II Fisheries Development																									
A) Earthwork and Civil Works																									
1) B&C >rrert		Number	56	10,503.00	17	6,932.00	ED	17,075.00	73	27,403.00	60	11,000.00	60	11,000.00	60	11,000.00	0	0	0	7144.00	11.1	40,000.00	375	121,943.00	
2) Kha Excaall on		Km	3	2,846.00	6	114.00	921	492700	3(6	4,700.00	9	6,000.00	9	6,000.00	9	6,000.00	0	0	0	2726	15791.00	18	12,000.00	-18	3,637.00
3) Ter>uar Haec Dev<Jopmert		Lurrp Sum	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0	0.00	0	0	
4) Leased Pond Dev C9merl		Pond	ED	68500	0	4	4S600	10	824.90	25	2,000.00	0	0	0	0	0	0	0	39	391990	0	0	89	4ED490	
Sub-total (A) :			fill	14,037.00	23	7,076.00	63.21	22497	86.06	32977.9	94	28100	69	26000	69	26000	0	0	26626	910609	138	51100	512.26	15711179	
B) TA and training																									
Fsrenes SL!JX)rt f romollona Malends)		LutTfl Sum	0	1,500.00	0	5000	0	1100	0	0	0	1100	0	3000	0	3000	0	0	68)00	0	6000	0	2,700.00		
SL!JX)rt to DoF			0	847.00	0	90.00	0	77.00	0	72.10	0	1100	0	1100	0	1100	0	0	439.10	0	400.00	0	1,686.10		
TA Fisheries CCF'SUtai		MM	6	334.00	4	69100	4	371.00	0	1126	2	1100	2	3000	2	3000	0	0	130)26	4	6000	0	2,234.26		
TA Fisheriesa spe;idi;t		MM	12	420.00	12	411.00	12	459.00	12	ED4.00	12	525.00	12	770.00	12	812.00	6	427.00	-18	1926.00	3)	2,009.00	90	4,355.00	
Training		No	689	106.00	189	1,805.00	88	1,870.00	189	1,880.49	132	1,111.00	110	1,336.00	18	1,880.00	0	0	5.11	7244.49	126	1,524.00	1,336	8,874.49	
Sub-total (B) :			687	3,207.00	175	3,074.00	104	3071.00	171	2494.81	146	2914.00	124	2906.00	32	1810.00	6	427.00	G96	110G9.86	162	113300	144G	19899.86	
C) Fisheries Studies																									
1) Fish Cech Monltin>J Stooes		Sum	3	110.00	1	5,503.00	1	6,739.00	1	6,700.8)	1	6,84.00	1	7,000.00	1	8,000.00	0	8,000.00	4	200318)	2	23,000.00	9	-18,411.8)	
2) Processin>J md rrrkeir>J si.K!;		SL.K!;		0	0	0	0	0	1	00000									1	00000	0	000	1	00000	
3) StOO; on Allema!GA fe<ishers d.oir>J		SL.K!;		0	0	0	0	0	0	0									0	000	0	000	0	00000	
4) 810<Ive!SI!; Monlrng		SL.K!;	2	19600	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	000	0	000	2	19600	
5) Resouce MaWc>J		Upazila	7	8,573.40	0	0	0	0	2	2,975.18	0	0	0	0	0	0	0	0	2	2675.18	0	000	9	11,518.58	
Sub-total (C) :			12	9,149.40	1	5,503.00	1	6739.00	4	10175.98	1	6(81.00	1	7000.00	1	8100.00	0	8100.00	7	28606.98	2	23000.00	21	606e8.38	
D) Staff																									
Sub-total (D) :			0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	9	0.00	2	0.00	30	0.00	
Total (Fisheries Development) :			807	26,393	199	15,6e8	168	32,313	261	45649	241	37,498	194	35,906	102	35,800	6	8,427	878	131,118	304	80,133	2,011	237644	
III Infrastructure Development																									
A) Earthwork and Civil Works																									
Vialer Supply		Tlbew ell	982	32,510.00	5.11	8,456.00	600	12,966.00	360	8,710.00	100	6,000.00	100	6,000.00	0	0	0	0	1598	111.00	100	6,000.00	2,480	75,641.00	
Vilage Protection cum Road (T-1)		Km	25	56,500.00	1.2	76,824.00	26	83,062.00	19	92,006.00	30	116,000.00	165	00,000.00	15	60,000.00	0	0	110	000	32	126,000.00	167	549,392.00	
Vilage Protection cum Road (T-2)		Km	05	11,874.00	0	0	11	25,795.00	32	75,046.00			14	1,000.00	14	1,000.00	0	0	43	100841.00	2E	70,000.00	136	269,715.00	
Multipurpose go-down/market		Sulding	25	10,116.00	0	1,540.00	1	3,449.00	1	5,123.00	8	11,000.00	9	22,000.00	9	22,500.00	0	0	10	3112.00	18	45,000.00	53	95,217.00	
Maintenanceroads&Vilage cente		km	0	5,416.00	0	6,063.00	0	6,254.00	0	11,117.41	0	8,000.00	0	8,000.00	3)5	0	59.5	0	31434.41	90	8,000.00	90	44,850.41		
Maint.for DaborGhat		km		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	000	69	000	89		
S., >0<00		CO	0		13656	6,774.00	15784	8,493.00	10252	6,569.00	0	0	0	0	0	0	0	0	39682	21836.00	0	0.00	39,682	21,836.00	
Sub-total (A) :			1097	202406	14229	996e8	16422	140019	10664	198,571.41	138	150,500.00	1395	138,000.00	91.5	117,500.00	106.5	0	41453	588746.41	338.5	20600.00	42886.5	1,046,651.41	
B) TA and Training																									
Training					60	151.00	100	151.00	117	151.00	95	151.00	0	0	0	0	0	0	378	604.00	0	0.00	378	604.00	
Sub-total (B) :			0	0	60	1G1.00	106	1G1.00	117	1G1.00	9G	1G1.00	0	0.00	0	0.00	0	0.00	378	604.00	0	0.00	378	604.00	
C) Staff																									
Sub-total (c) :			0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0	000	0	0	0.00	
Total nfrastructure Development(f) :			1,097	202,406	14,289	99,807	16,528	140,110	10,781	198,722	233	150,651	140	138,000	92	111,500	106	0	41,831	1,089,350	337	20,600	43,265	1,047,266	

Sunamganj Community Based Resource Management Project- BD 567
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Sl. No.	Name of items		Unit of Works	Phase-1 (ir 1 to 5)		Year-1 (2007-08)		Year-2 (2008-09)		Year-3 (2009-10)		Year-4 (2010-11)		Year-5 (2011-12)		Year-6 (2012-13)		Year-7 (2013-14)		Phase-2 (ir 6 to 8)		Phase-3 (ir 9 to 12)		Phase-4, 5 & 6 (ir > 13)	
				Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi	Physical Q-ntity	Financial Ioi
I (Agriculture and Livestock Development)																									
A) Earthwork and Civil Works																									
	Infrastructure				0		0		0	1,300.00	0	2,000.00	0					0	330000	0	0.00	0	3,300.00		
	Sub-totall (A) :		0	0	0	0.00	0	0.00	0	130000	0	200000	0	0.00	0	0.00	0	0.00	0	3300.00	0	0.00	0	3300.00	
B) TA and training																									
	Initial PRA	\$1Jvey	1	55000	0		0		0		0		0		0		0		0	000	0	000	1	550.00	
	Research	Tnals	40	1,918.00	9	2,818.50	24	1,044.60	9	1,741.40	0	2,249.00	0	1,000.00		1,000.00		42	7853.50	0	2,000.00	82	11,711.00		
	Demonstration	Dffilo	2196	10,995.00	922	2,378.00	967	1,992.00	1467	1,868.00	1152	1,782.00	1152	1,978.00				4508	797000	1,152	1,978.00	7,813	20,943.00		
	Training	N a	404	5,431.20	511	4,000.00	731	4,668.00	464	3,879.92	311	3,000.00	113	1,500.00	63	1,000.00		2017	15647.92	176	2,500.00	2,597	23,479.12		
	Field Days	N a	520	662.00	200	200.00	288	288.00	200	200.00	288	288.00	288	288.00	288	288.00		976	97600	576	578.00	2,072	2,214.00		
	Practical Works	N a	7	746.00	0		0		0		0		0		0			0	000	0	0.00	7	746.00		
	Extension Workshop	N a	36	424.00	0		0		1	145.00	0		0		0			1	14500	0	0.00	37	569.00		
	Extension Support (Prom M aeml)	Lmp Sum	0	1,995.00	0	258.00		301.00	0	87.50	0	300.00	0	300.00	0	300.00		0	94630	0	60000	0	3,541.50		
	Workshops and studies				0	500.00	0	718.00	0	400.00	0	700.00	0	700.00	0	700.00		0	231800	0	1,400.00	0	3,718.00		
	TA Agriculture Consultant	Mooth	6	608.00	4	302.00	4	231.00	4	300.86	4	400.00	4	600.00	4	600.00		16	124286	8	1,200.00	30	3,050.86		
	TA Agriculture Specialist	Mooth	12	420.00	12	375.00	12	360.00	12	480.00	12	525.00	12	770.00	12	812.00	6	427.00	48	17,220.00	0	2,001.00	90	4,151.00	
	Seed to DAE, DLS		0	559.40		106.00		142.00	0		0		0		0	150.00		0	564.37	0	300.00	0	1,423.77		
	Sub-totall (B) :		3222	24308.1	10937.5	2031	9744.1	2157	9210.35	1717	9344	159	7281	317	4150		427	7111	39281.45	1942	12013	12772	1511.05		
C) Staff																									
	Agricultural facilitators	person/year			1	550	5	455.40	9	10.00	9	1,512.00	9	2,288.00	9	2,368.80	9	1,234.80	24	1982.90	27	5,871.60	51	7,854.50	
	Sub-totall (C) :		0	0	1	5.50	5	451.40	9	10.00	9	1512.00	9	2218.01	9	2318.80	9	1234.80	24	1982.91	27	5871.10	51	7854.50	
Total (Agriculture and Livestock Development):																									
3222 24308.1 10937.5 2031 9744.1 2157 9210.35 1717 9344 159 7281 317 4150 427 7111 39281.45 1942 12013 12772 1511.05																									
V. Micro-Finance																									
A) Credit fund																									
	Financial Requirement	LITip Sum	0	46,339.00	0	44,000.00	0		0				0		0		0		44000.00	0	0.00	0	90,339.00		
	Sub-totall (A) :		0	41339	0	44000.01	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	44000.00	0	0.00	0	911331.00		
B) TA and training																									
	Training	LITip Sum	1316	3,001.30	181	3,300.00	209	4,185.00	640	3,923.39	234	3,000.00	183	2,500.00	101	2,000.00	36	1,011.00	1264	1490839	320	5,421.00	2,900	23,330.00	
	Technical assistance	MM			4	363.00	3	259.00	05	42.30	0		0		0		0	75	664.30	0	0.00	8	664.00		
	1) CO Audit	Audl	5	697.00	1163	866.00	1304	1,395.00	354	2,327.00	3300	2,052.00	2532	1,367.00	1,240	669.00	350	190.00	9321	664000	4,122	2,215.00	13,448	9,565.00	
	2) External CO Audit	Audl	0		0		0	108.00	0		0		0		0		0	0	108.00	0	0.00	0	108.00		
	Sub-totall (B) :		5	3,198.30	1113	5,029.00	1804	5,947.00	2554	1,293.19	3800	5,052.01	2532	3,817.00	1240	2,119.00	350	1,111.00	101125	22,321.19	4442	7,447.00	11,355.5	33,111.41	
C) Staff																									
	Sub-totall (C) :		0		0		0		0		0		0		0		0		0		0	0			
Total (Micro-Finance) :																									
50,037.30 41,029.00 5,947.00 6,293.19 5,052.00 3,867.00 2,669.00 1,111.00 66,321 7,647.00 124,005.41																									
Total Base Cost (I+II+III+IV+V)																									
5,121 405,474 11,147 230,448 18,727 255,278 13,208 32,500 2,200 272,487 1,913 271,425 570 23,818 127 54,133 00,341 1,079,713 2,110 514,371 118,091 2,049,513																									
CD VAT																									
		L S	0	2,156.00	0			1,855.00	0		0		1	5,000.00	0.00			0	1855.00	1	5,000.00	1	9,011.00		
Cost Escalation																									
		LS	0		0		0		0		0		0		0.00			0	0.00	0	0.00	0			
Gross Total:																									
5,121 407,130 11,147 230,448 18,727 257,133 13,208 32,500 2,200 272,487 1,913 271,425 570 23,818 127 54,133 00,341 1,111,58 2,11 519,371 118,097 2,058,574																									

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Summary of project costs		Thousand Taka								
		Phase 1	Phase 2			Phase 3				Phase 1, 2, 3
		PY-1 to PY-5 actual	PY-6 to PY-8 actual	PY9 forecast	total forecast	PY10 proposed	PY11 proposed	PY12 proposed	total proposed	total proposed
I. Institutional Development										
	Equipment	5,737	5,192	1,570	6,762	2,015	525	0	2,540	15,039
	Furniture	1,194	2,340	850	3,190	300	0	0	300	4,684
	Vehicles	9,150	17,557	0	17,557	5,000	0	0	5,000	31,707
	Training	3,066	10,882	4,610	15,492	504	0	0	504	19,062
	Staff salaries	46,017	87,298	37,580	124,877	55,734	56,778	28,116	140,629	311,523
	other operating cost	29,362	37,748	13,095	50,843	13,375	13,075	8,090	34,540	114,746
	Technical assistance and studies	7,804	20,907	8,725	29,632	7,170	5,252	6,727	19,149	56,585
	sub-total institutional development	102,330	181,925	66,430	248,354	84,098	75,630	42,933	202,662	553,346
II, Fisheries Development										
	Earthwork and Civil Works	14,037	62,551	28,500	91,051	26,000	26,000	0	52,000	157,088
	TA and training	3,207	8,646	2,914	11,560	2,906	1,800	427	5,133	19,900
	Fisheries studies	9,149	22,423	6,084	28,507	7,000	8,000	8,000	23,000	60,656
	sub-total fisheries development	26,393	93,620	37,498	131,118	35,906	35,800	8,427	80,133	237,644
III, Infrastructure development										
	Earthwork and Civil Works	202,405	438,246	150,500	588,746	138,000	117,500	0	255,500	1,046,651
	training	0	453	151	604	0	0	0	0	604
	sub-total infrastructure development	202,405	438,699	150,651	589,350	138,000	117,500	0	255,500	1,047,255
IV. Agriculture and Livestock Development										
	Earthwork and Civil Works	0	1,300	2,000	3,300	0	0	0	0	3,300
	TA and training	24,309	29,942	9,344	39,286	7,286	4,850	427	12,563	76,158
	Staff salaries	0	471	1,512	1,983	2,268	2,369	1,235	5,872	7,855
	sub-total agriculture and livestock	24,309	31,713	12,856	44,569	9,554	7,219	1,662	18,435	87,313
V. Micro-Finance										
	Creditfund	46,339	44,000	0	44,000	0	0	0	0	90,339
	TA and training	3,698	17,269	5,052	22,321	3,867	2,669	1,111	7,647	33,666
	sub-total micro-finance	50,037	61,269	5,052	66,321	3,867	2,669	1,111	7,647	124,005
Total base cost		405,474	807,226	272,487	1,079,713	271,425	238,818	54,133	564,376	2,049,563
	CD and VAT	2,156	1,855	0	1,855	5,000	0	0	5,000	9,011
	Price escalation									
Grand total		407,630	809,081	272,487	1,081,568	276,425	238,818	54,133	569,376	2,058,574

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IFAD Loan allocation and disbursements (SDR)											
Category	Category description	Loan agreement allocation		Disbursed to 30/06/10	Pending WA for 2009/10		Expend ure total up to yr 8	Balance in loan ac.	Years 9 to 12		Recommended revised allocation
		Original	FPR revised		WA60	WA61			estimated exp	revised total	
	In ial advance			1,318,211.72							
I	Earth and Ovil Works	1,210,000.00	5,500,000.00	4,794,695.23	451,763.37	278,072.58	5,524,531.19	-24,531.19	3,770,057.44	9,294,588.63	9,300,000.00
II	Equipment and r.taterials	250,000.00	335,000.00	127,512.51	2,526.42	5,987.63	136,026.56	198,973.44	46,583.89	182,610.44	180,000.00
III	Vehicles	120,000.00	265,000.00	208,615.16	8,786.73	-	217,401.89	47,598.11	49,201.40	266,603.29	260,000.00
IV	Technical Assistance, Training and Studies	1,030,000.00	2,160,000.00	1,416,489.56	140,304.31	86,341.74	1,643,135.60	516,864.40	1,032,009.25	2,675,144.86	2,670,000.00
V	Cred	460,000.00	2,315,000.00	900,170.53	28,770.16	-	928,940.69	1,386,059.31		928,940.69	930,000.00
VI(a)	(a) Salaris and Allowances	1,000,000.00	2,295,000.00	1,322,360.28	72,936.34	49,452.19	1,444,748.81	850,251.19	1,826,274.38	3,271,023.19	3,270,000.00
VI(b)	(b) Operating Costs	460,000.00	680,000.00	476,177.34	20,828.44	17,560.26	514,566.04	165,433.96	421,867.58	936,433.62	940,000.00
	Unallocated	530,000.00	975,000.00	-		-	-	975,000.00		-	
	total for phase 1	5,060,000.00		-							
	Phase II	5,770,000.00		-							
	Phase III	6,720,000.00	3,025,000.00	-			-	3,025,000.00		-	
	Total	17 550 000.00	17 550 000.00	10 564 232.33	725 915.76	630 928.10	11 921 076.19	7 140 649.22	7 145 993.94	17 555 344.72	17 550 000.00