

Issue QPR7-1: Upcoming Absence of Supervision Consultant's Top Three Key Staff - Team Leader and Resident Engineers for Package 01 and 02 P

Update 31 August 2017: Interim TL is being mobilized shortly. Resident Engineer for Package 01 has been found acceptable by evaluation committee and approval process is underway.

Issue: The DDCS&PMS Consultants have notified the PD that the current TL will resign effective 31 August 2017 due to family health reasons. The Consultant's original RE for Package 02 is not available and a replacement candidate has been proposed. For the current RE for Package 01, the BWDB and DDCS&PMS Consultants have agreed that he should be replaced once a replacement is approved and in place allowing for a period of overlap for proper handing over. The RE for Package 01 has departed the project prematurely in early August 2017. As of this date (15 August 2017), no replacement candidate is yet approved for any of these three positions although replacements have been submitted. The process will take time so there will undoubtedly be a period starting 01 September 2017 where all three positions will be vacant. This is critical as the monsoon season occasions potentially grave emergencies and the construction season is about to commence on 01 October 2017.

Recommendation: DDCS&PMS Consultant to propose temporary solution so that an acceptable and approved staff (per FIDIC and BWDB regulations) with legal authority to instruct the Contractors is in place and also that supervision is effectively provided. BWDB must expedite review and approval, if appropriate, of replacement staff.

Issue QPR7-2: RAP Irregularities Have Been Alleged so Systems Must be Strengthened

There have been some allegations of payment being made for structures put in place after the cut-off date and some other irregularities based on information obtained by the M&E Team and based on some of the grievances that are being registered.

Recommendation: The DDCS&PMS Consultant may look into the matter with more diligence and also make sure that systems and procedures of the RAP Implementation Consultants and DDCS&PMSC are strengthened for proper targeting, better oversight and greater transparency. For example:

EPs should receive advance notice of their compensation to be paid with detailed breakdown of the basis of calculating payment (square footage, type of structure, material of the structure, etc.);

The PAVC rates should be public knowledge and widely disseminated

EPs should be clearly informed that they are not obligated to make any payment to FGD president or anyone else in order to receive their entitlement

Issue QPR6-1: River Bank Protection Works Need Urgent Attention and Additional Resources. Some of these works are already foreseen and budgeted in Works Package 01, but additional BPW with estimated cost of about \$80m are reported to be needed in the four polders as well. An economic analysis should be undertaken to examine best options, source of funds to be arranged and procurement to proceed on an urgent basis.

Issue QPR6-2: Engineer Needs to Deploy Additional Site Staff now that the Package 02 Contractor is mobilizing. - The DDCS&PMS Consultants have submitted a request for budget re-allocation for this purpose to the PMU and the way forward must be agreed quickly so there is adequate supervision in place.

Issue QPR5-1: Specifications Need Heightened Attention - In Particular Specifications 9.1 to 9.5 Dewatering of Subsurface and Surface Water. Some improvement is now noted and Engineer must monitor closely.

Issue QPR4-1: Land Acquisition Cost Has Increased Dramatically. World Bank and GoB to consider and formally agree on the budget re-appropriation and financing to meet the increased land acquisition costs. World Bank has stated it could consider increasing the financing for LA Costs when disbursements increase substantially.

Issue QPR4-4: Livelihood Restoration Program Needs Attention. No training needs assessment has been done and no training delivered to date.

Issue QPR3-2: Equipment Mobilized on Contract W-01 is Inadequate. The equipment numbers have been increased substantially, but given the need for the Contractor to catch up (only at about 18% of works are completed while 17 of 36 months has elapsed) still more equipment is needed.

Issue QPR2-2: DPP (GoB Authorizing Document) and Loan Agreement Amount Requires Amendment to Accommodate Cost Increases in estimated cost of works, land acquisition and consulting services (and change in the USD/SDR Exchange Rate). This process takes as long as one year or more.

Issue QPR2-10: Capacity Building and Independent Advice Needed for PMU/BWDB in FIDIC and Contract/Claims Management. While these competencies are not expected of the PMU since the Engineer has been hired for this purpose, such training and advice would benefit the Project and the BWDB.

Issue QPR1-4: LAP and RAP and the compensation payments must be expedited so that work sites can be handed over to the Contractor. As of 30 June 2017, compensation to non-titled EPs stands at 55% of expected EPs for Package 01 and 56% of this number have vacated their premises, but these are scattered along the embankment. No titled land-holders have yet to be compensated. The result is that the Contractor for Package W-01 may become constrained as increasingly small, scattered, non-contiguous stretches of embankment are encumbrance free.

Issue QPR1-5: Recruitment of NGOs and Consultants: According to the policy of the GoB, work on WMO formation should begin prior to commencement of civil works so that users are consulted during implementation of the project and to ensure ownership and commitment to effective O&M. Procurement Evaluation Committee (PEC) has decided to solicit fresh EOIs in its meeting of 28 March 2017 due to the addition of an IPM component at the suggestion of the WB and the length of time since the original call for EOIs (November 2014). While this is wise, strong efforts must be made to expedite this procurement.