

Minutes of Eleventh (11th) meeting of Project Steering Committee (PSC) for Sindh Water Sector Improvement Project Phase-I (WSIP) held on 2nd June, 2010 under the Chairmanship of ACS (Dev.) P&D Department, GoSindh at Karachi

List of the participants of the meeting is attached at **Annex-A**.

After welcome remarks by the Chair, the forum confirmed the minutes of previous (10th) meeting of PSC meeting held on February 20, 2010, since there were neither comments from any quarter nor from the participants of the meeting.

2. The Project Director WSIP, SIDA made presentation on component-wise implementation progress/status of project activities. The activities under **Component-A** of the Project, PD WSIP informed that the selection process for appointment of remaining staff of SIDA including MD and GMs and staff for three AWBs including Directors AWBs has been completed by PMC/A and submitted their recommendations for approval of GoSindh and hopefully the approval would be received very soon for deployment of these selected staff. The proposals for (i) reactivation of media and communication strategy and (ii) social mobilization activities including formation of FOs re-election of FOs etc have been finalized for approval of funding arrangement. SIDA Business Rules have been drafted and are under revision in light of suggestions/directives of SIDA Board meeting held on May 11, 2010. Recovery/Revenue Team has been mobilized at SIDA to get the Abiana recovery improved. It was informed that during the month of May 2010 an amount of Rs. 0.6 million has been recovered in three AWBs. It was further informed that the training activities under Dutch Trust Fund (DTF) arranged by World Bank for SIDA staff have been held up due to contractual obligations between the World Bank and M/s IWMI for implementation of DTF Training Plan, however World Bank is considering for some other alternate arrangements and hopefully it would be finalized very soon.

3. The Chair observed the delay in re-activation of social mobilization activities particularly delay in formation of Farmer Organizations (FOs) and directed that process should immediately be re-started either through sources by social contractors or through SIDA staff to get the target for formation FOs completed. The Chair expressed his concern on the delay in implementation of training activities through DTF and directed that SIDA may contact with concerned authorities and get the issue resolved on urgent basis as DTF Funds would stand expired by August, 2010. In case of any delay, the position may be apprised to ACS (Dev.) so that matter could be taken up with the higher authorities of the World Bank as well as DTF. The forum appreciated the efforts made by SIDA for improvement of recovery, however low recovery against the target was noted seriously by the forum. SIDA / AWBs were asked to take all necessary and possible efforts/steps to get the recovery improved against the target.

4. Presenting the implementation status of **Component-B** of the Project "*Improvement of Irrigation and Drainage System*" the PD WSIP informed that documentation for award of 1st contract of Nara Canal (main Canal) has been completed in all respects and the physical work would be awarded in early July 2010. The survey work of Fuleli Canal of Left Bank Canal and the condition survey and engineering survey of Ghotki Feeder has almost completed by PICs. The documentation for rehabilitation/improvement of 28 FOs channels of Nara Canal AWB has been finalized including preparation of Social Action Plan as well as Environmental Management Plan. The contracts of works on these channels would be awarded as soon as approval of contract documents is received from the World Bank. Survey work for FOs channels of Ghotki Feeder AWB was underway whereas survey work for FOs channels of Left Bank Canal AWB will start during the month. Senior Chief (W&P) P&D pointed out that works proposed in PAD / Component-B for Left Bank AWB may not be reduced and should be implemented early.

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5. The FO representative stated that farmers are still looking for result of WSIP Project in the form of physical works in their area, therefore, he urged for starting of physical works on ground without further delay. The PD WSIP and Team Leader, PMC/A explained the reasons for delay in award of physical works. However, they assured that physical works will start during the next month and being farmer member of PSC Mr. Zahid Bhurgari may convey the position to the farmers of his area. The Chair, however, desired that SIDA and its consultants should follow strictly the time frame for award of physical works as per agreed / targeted time frame. The M&E Consultants have to play their role through its effective monitoring activities as per their mandate so that implementation can be done on faster track.

6. The PD WSIP further informed that the activities under **Component-C** of the Project were in advance stage of implementation. After completing all procurement formalities, the Consultancy Contract has been awarded on March 2010 for "Preparation of Regional Drainage and Flood Master Plan on Left side of Indus River". The mobilization of consultant team was in process. The procurement process for award of consultancy services for "Preparation of Detailed Feasibility Study for Guddu Barrage" was in advance stage and as per tentative time frame, the consultancy would be awarded during the month of July, 2010. For conducting "Study of Sukkur Barrage" the draft TORs of consultancy service prepared by IPD, GoSindh was under finalization/approval by PMC/A as well as the World Bank. The procurement would be started as soon as TORs are approved.

7. Presenting the status/progress of activities under of **Component-D and Component-E** of the Project being managed by PCMU, the Project Coordinator, WSIP, PCMU stated that M/s. NESPAK Pvt. Limited have been appointed as M&E Consultants for WSIP Project by signing of the Contract Agreement on December 19, 2009 to carry out M&E activities of the project under Component-D. Unfortunately, the consultants are not providing their services based on the requirement of the Contract Agreement. PCMU facing difficulties in managing the consultancy, like delay in deployment of professional staff (the team is working without Team Leader) and non submission of required documents i.e. Inception Report and quarterly report in a professional manner. The concern has been conveyed to the top management of the firm but with a very dismal result. The Team Leader, PMC/A expressed his serious observations on poor performance of the consultants for not delivering as per the contract agreement. Since the PMC/A has responsibility to oversee the performance of Project Consultants, it was decided that PMC/A in consultation with PCMU being client of M&E Consultants will review the situation/performance of M&E Consultants and submit its report to the ACS (Dev.) within a week's time with recommendations for future line of action.

8. Providing the updated implementation status of activities under **Component-E**, the Project Coordinator, PCMU further informed that sub-component-E1 and E2 related with establishment of PCMU and deployment of PMC/A respectively which are working properly. Action on the activities under sub-component-E3 and E4 has been initiated. The concept paper for WSIP Phase-II for sub-component-E3 has been prepared and sent to the Minister IPD/Chairman SIDA. Further action would be taken on the advice of the Minister IPD/ Chairman SIDA. For implementation of technical/strategic research activities, under sub-component-E4, the Research Advisory Committee (RAC) formed as per decision of PSC for implementation of the sub-component. Till then a total of three meetings of the committee were held. The RAC considered six research studies in different fields to be implemented during the current year. In addition the RAC recommended for award of four research grants of US\$ 0.40 million for graduate students. The details of six studies were provided during the meeting. The rep. of SEPA stated that SEPA may be involved in carrying out the studies particularly related with the "Environmental Monitoring of Sugar Mills". It was clarified that all studies would be carried out through outsources by involvement of firms/NGOs/institutions etc through a competitive procurement process.

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The SEPA may take part in procurement process accordingly. After detailed discussions, it was agreed that after getting clearance from PMC/A as well as the World Bank, the PCMU will start the procurement process for carrying of research studies and award of four research grants for graduate students as approved by RAC. SEPA may take part in implementation of these studies.

9. Project Director, WSIP, SIDA informed the forum that an amount of **Rs. 407** million has been incurred up to May 2010 from IDA funds of the WSIP Project and an amount of Rs. 241 million are balance available in SIDA Account as against releases of IDA funds. The issue of delay in submission of Audit of the project for FY 2008-09 came under discussions particularly in light of recent World Bank's letter dated May 27, 2010. The PD WSIP highlighted the actions already taken by SIDA for completion of audit reports as required by the World Bank and assured that the required action would be completed by the target date. The Chair expressed his serious concern on delay in submission of audit reports and directed that action may be completed on time. He directed that, an interim response on the letter of World Bank may be issued by SIDA immediately under intimation to him.

10. The forum reviewed the compliance status of actions required to be taken by SIDA as per decisions of previous (10th) PSC meeting and also on the recommendations of recent World Bank Mission's aide-memoire (Feb-Mar 2010). The delay in compliance of some of very important decisions was noted, particularly on Preparation of Rules of Business for SIDA in compliance to the directives of CM Sindh; Business Plan for AWBs and approval of GoSindh for award of financial/technical powers to PD WSIP for implementation of WSIP Project. It was decided that SIDA should take an immediate action to get the tasks completed without further delay.

11. The issue of consent from Finance Department, GoSindh on the rectification of anomaly/enhancement of salary package for staff under WSIP project came under discussions. The representative of Finance Department, GoSindh stated that SIDA staff was getting fixed salaries based on market rates and not the Government Pay scales. Therefore, the staff salary can not be considered as per Government policy "Standard Pay Package" allowed as per government pay scale. However, he suggested that SIDA should wait for approval of budget for FY 2010-11 wherein the salary of Government staff may be enhanced and based on approval of the budget, the SIDA may prepare and submit proposal with full details /justification for consideration of competent authority. The forum agreed with the proposal of rep. of Finance Department, GoSindh.

12. At the end of the meeting Chair desired that all project partners particularly SIDA being lead implementing agency has to play their role and responsibilities to get the project implementation on faster track without further delay. In this regard MD SIDA and PD WSIP assured that they will take all possible measures to get implementation on faster tracks.

13. The meeting ended with a vote of thanks from and to the Chair.

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14. The decisions of the above meeting are summarized as under:

- i. *SIDA may follow up the case for approval of GoSindh regarding appointment of Staff of SIDA and AWB based on the recommendations of PMC/A*
- ii. *SIDA in consultation with PCMU and PMC/A, should immediately start social mobilization activities (formation of FOs) either through out sourcing to social contractors or through its own staff so that the target for formation of FOs is completed.*
- iii. *SIDA may contact with concerned authorities to get the training activities of SIDA staff under Dutch Trust Fund started as early as possible. In case of any delay, the position may be appraised to ACS (Dev.) so that matter may be taken up with the higher authorities of the Bank as well as DTF.*
- iv. *SIDA and AWBs may take all necessary and possible efforts/steps to improve the Abiana recovery, to achieve the target.*
- v. *SIDA and Project Consultants should follow strictly the time frame for award of physical works as per agreed / targeted time frame. The M&E Consultants have to play its role through its effective monitoring tool and to get the implementation on faster track.*
- vi. *SIDA may pursue with consulting firm appointed for Preparation of Drainage Master Plan to get the team fully mobilized to start their activities and also coordinate/pursue with PMC/A to get the procurement process completed for award of consultancy for Guddu Barrage study and to start procurement process for Sukkur Barrage study.*
- vii. *PCMU in consultation with PMC/A will review the situation/performance of M&E Consultants and will submit its report with in a week to ACS (Dev.) P&D Department with recommendations for future line of action so that decision could be taken accordingly.*
- viii. *After getting clearance from PMC/A as well as an NOC the World Bank, PCMU may start the procurement process for carrying of research studies approved by RAC and award of four research grants for graduate students.*
- ix. *SIDA to get the audits reports completed by the target date as required by the World Bank. An interim response on the letter of World Bank, in the mean time may be issued by SIDA immediately under intimation to P&D Department.*
- x. *SIDA should get actions completed without further delay on the pending decisions of PSC on (i) preparation of Rules of Business of SIDA in compliance with the directives of CM Sindh, (ii) Business Plan for AWBs and (iii) approval of GoSindh for delegation/award of financial/technical powers to PD WSIP for implementation of WSIP Project.*
- xi. *SIDA will submit proposal in detail giving full justification for enhancement of salary package of Staff of SIDA based on the approval of budget for FY 2010-11 for approval of competent authority.*

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List of the Participants of the 11th Meeting of PSC, WSIP held on 2nd June 2010

- 1) Mr. Aurangzeb Haque In Chair
Additional Chief Secretary (Dev), P&D Department
- 2) Mr. Agha Jan Akhtar, Secretary Agriculture Department, GoSindh
- 3) Mr. Najam-ul-Saqib Siddiqui, Special Secretary Finance Department, GoSindh
- 4) Syed Mazhar Ali Shah, Additional Secretary, IPD, GoSindh
- 5) Dr. Salam Memon, Project Coordinator, PCMU/ WSIP, P&D Department
- 6) Mr. Muhammad Mithal Abbasi, Managing Director SIDA
- 7) Mr. Muhammad Ehsan Leghari, Project Director, WSIP, SIDA
- 8) Mr. Zahid Hussain Bhurgari, Representative of FOs, NCAWB
- 9) Mr. Ylli Dedja, Team Leader, PMC/A, WSIP
- 10) Agha Zafarullah Durrani, Director General, AE&WM, Agriculture Department
- 11) Mr. Aslam Ali, Additional Secretary, Agriculture Department, GoSindh
- 12) Mr. Fazal A. Nizamani, Senior Chief (Water) P&D Department, GoSindh
- 13) Mr. Muhammad Faheem Akhtar, Chief (F. Aid) P&D Department
- 14) Mr. Shahabudin Memon, Chief Agriculture, P&D Department, GoSindh
- 15) Mr. Hyder Raza Khan, Deputy Secretary Forest & Wildlife Department
- 16) Mr. S.M Yahya, Director, SEPA, GoSindh
- 17) Mr. Nazir Hussain Mughal, Director (C&WM) PCMU, WSIP
- 18) Dr. Nisar A. Memon, Director, M&E, PCMU, WSIP
- 19) Mr. Anwar Hussain Memon, General Manager (Finance), SIDA
- 20) Mr. Nazeer Ahmed Memon, General Manager (Transition) SIDA
- 21) Mr. Khadim Ali Memon, Deputy Team Leader, PIC, WSIP, SIDA
- 22) Mr. Rana Naseer A. Khan, Project Coordinator, M&E Consultants, WSIP
- 23) Mr. M. Ashraf Sahto, Assistant Director, SCDA, GoSindh
- 24) Mr. Ghulam Hyder Qureshi, Sociologist, PCMU/WSIP, P&D Department