

Minutes of Thirteenth (13th) meeting of Project Steering Committee (PSC) for Sindh Water Sector Improvement Project Phase-I (WSIP) held on Saturday 19th March, 2011 under the Chairmanship of ACS (Dev.) P&D Department, GoSindh at Karachi

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

The chair started the meeting with name of Allah who is most merciful and beneficial. After welcome remarks, the Chair asked Project Coordinator, PCMU to proceed the meeting further. Dr. Fateh Muhammad Marri introduced himself who has recently joined as new Project Coordinator, PCMU and stated that he worked before as Director M&E in PCMU during 2009 and based on his previous experience and with the support of all project partners specially guidance from PSC and ACS (Dev.) he will take all possible efforts and measures to get the project implementation on faster track. He assured the forum that PCMU will play its role as per its mandate and responsibility in implementation of the project activities. Thereafter the meeting proceeded as per agenda of meeting and proceedings of the meeting are recorded as under:

Item # 1: Confirmation of the minutes of 12th meeting of the Committee:

2. The Project Coordinator, PCMU informed the forum that the minutes of 12th meeting of Project Steering Committee held on 27th October, 2010 were circulated to all concerned departments/agencies and participants of the meeting. No comments on the minutes have been received from any quarter. The Chair, however, enquired from all the participants for any comments. *All participants agreed with the minutes of previous meeting, hence minutes of the twelfth meeting were confirmed.*

Item # 2: Review of updated implementation status / progress of Project activities:

3. On the request of PC, PCMU, the Managing Director SIDA made a presentation to the forum on the implementation activities of the project including Component-A (*Institutional Strengthening & Capacity Building of SIDA, AWBs and FOs*), Component-B (*Rehabilitation / Improvement of Irrigation and Drainage network of three AWBs*) and Component-C (*Preparation of Master Plan for addressing the floods and drainage issues of Left Bank of Indus and Carrying out feasibility studies for Barrages*) The implementation status of activities under Component-D (*Project Monitoring & Evaluation and impact*) and Component-E (*Project Management, Coordination, Strategic Studies and Trainings*) apprised by PC PCMU as these components activities are being dealt by PCMU.

4. Managing Director, SIDA apprised the forum that considerable progress has been made in implementation of WSIP Project activities and tangible results have been achieved since last PSC meeting. Most of the appointments in SIDA and PCMU have been completed and staff is on board. Civil works contracts for rehabilitation and improvement of 35 FOs Channels have been awarded and physical works on some of contracts have been started on ground. As per plan, 38 more contracts of FOs Channels would be awarded by June, 2011. The Contract Agreement has been signed for preparation of detailed design for Guddu Barrage and process for selection of firm for preparation detailed design for Sukkur Barrage Study is in advance stage. Accordingly, the recent World Bank Mission (January, 2011) has considered the upgrading of the project performance as “Marginally Satisfactory” as was “Unsatisfactory” during last mission.

5. During the above presentation, some of issues were pointed and Committee made decisions / directives as under:

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Component-A (Institutional Strengthening & Capacity Building of SIDA, AWBs and FOs)

- i) It was informed that approval from CM Sindh for appointment of PD WSIP is awaited; however, with the approval /consent of Chairman SIDA/Minister Irrigation, the selected candidate (Mr. Zahid Hussain Junejo) who is employee of IPD has been assigned the additional charge of PD WSIP till final approval is received. Mr. Junejo acting /designated PD WSIP has started working as PD WSIP since February, 21, 2011. The Committee agreed with the proposal of SIDA that IPD may assign the additional charge of Director Design (hold by PD WSIP) to any other IPD officials so that PD WSIP may fully provide his attention for WSIP activities. The Committee further directed that MD SIDA and PC, PCMU to actively pursue with CM House for formal approval of PD WSIP.
- ii) It was further informed that PMC/A completed selection of staff for AWBs and submitted recommendations separately (i) for key staff including Directors and GMs and (ii) support staff. As per agreed procedure, the Chairman SIDA/Minister Irrigation has already approved the recommendations of PMC/A for appointment of support staff, whereas the recommendations for appointments of Directors and GMs in AWBs have been sent to GoSindh for approval of CM Sindh. It was pointed out that the candidates selected from market for Directors AWBs are presently working in SIDA and IPD (two in SIDA and one in IPD). Therefore, the forum recommended that till the approval from GoSindh (Chief Minister Sindh) is received, SIDA may assign the responsibility of Directors of AWBs immediately to the selected candidates who are working in SIDA as an interim arrangement. The posting of remaining one selected staff who is working in Irrigation & Power Department, SIDA may request IPD for transfer of services of selected staff to SIDA for posting /assigning the charge of Director AWB as per the similar process for appointment of Mr. Zahid Hussain Junejo as PD WSIP so that implementation activities of WSIP Project may not suffer. The support staff already approved by Chairman SIDA may also be deployed in the field immediately.
- iii) The issue regarding staff working in AWBs under the administrative control of IPD came under discussions and it was decided that separate meeting would be arranged to formulate a strategy/policy for taking further decision on the matter. In this regard SIDA will prepare a detailed working paper for the meeting within two week's time and will coordinate with staff of ACS (Dev.), P&D Department for fixing of date and time for the meeting.
- iv) On a query from the Chair, the MD SIDA responded that based on decision of previous PSC meeting, SIDA contacted with Mr. Shoukat Ali Rahimo the retired DG, AE&WM who is well experienced in social mobilization activities specially in formation of FOs/WCAs. It was informed that Mr. Rahmo has shown his willingness to work with SIDA in the field of social mobilization and SIDA is in process to find out the way of his engagement and hopefully he will be taken on board very soon.
- v) The issue for enhancement of salary of project staff was discussed as per paper presented by SIDA during the meeting. The forum supported the SIDA proposal and after detailed discussions, it was decided that the Finance Department will provide their views/comments on the proposal of SIDA within two week's time for taking further decision accordingly. The Chair directed that SIDA may coordinate with FD accordingly.

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- vi) MD SIDA made presentation on recovery of Abiana in three AWBs. Based on the status / progress of Abiana, it was noted that although the recovery was not satisfactory as per the target, however, there was an improvement in the recovery from the period of April, 2010 to February, 2011. In this regard SIDA was directed to take more steps/measures to improve the progress of recovery and to meet the target. SIDA pointed out the issue regarding outstanding dues against the Government/Semi Government offices, Corporations and private organizations/industries and requested for help and support from GoSindh to get the recovery of outstanding dues by using at source deduction method. In this regard the forum fully supported the view point of SIDA and requested Finance Department for appropriate action. For which SIDA was directed to provide full details/information to Finance Department, GoSindh immediately for taking further action as per policy on the matter regarding deduction of outstanding dues against the Government /Semi Government office, Cooperation and private organizations/industries.

Component-B (Rehabilitation/Improvement of Irrigation and Drainage network of three AWBs)

- i) The FOs representative/member of PSC raised the issue regarding delay in award of works of main Nara Canal. He stated that SIDA should prioritize the works of main Nara Canal as it would benefit the farming community on downstream. He urged to start the work immediately on main Nara Canal. The MD SIDA clarified that the process for award of works started on main Nara Canal and distributaries/minors simultaneously, but due to time consuming factor in procurement process under which main Nara works were to be awarded through International Competitive Bidding (ICB) process, whereas works for distributaries/minors are being awarded at Community Based Contracts (CBC) and National Competitive Bidding (NCB) process which requires less time period compared with ICB. However, the process for award of main Nara Canal is in advance stage and would be completed shortly.
- ii) On a question raised by the representative of FOs, MD SIDA informed that construction of three fall structures are proposed in Nara Canal, out of which one structure to be constructed under WSIP while remaining two structures are being constructed by IPD through PSDP funds. The representative of IPD pointed out that due to non release of PSDP funds from Federal Government, the IPD is facing difficulty in implementation of the scheme. The forum expressed their concern on delay in releasing of PSDP funds and requested the representative of Planning Commission who is member of PSC to help and support to IPD for release of funds on time for implementation of the scheme. Simultaneously, SIDA was requested to look into the project budget if the construction of remaining two fall structures can be implemented from WSIP Project funds.
- iii) The Senior Chief (W&P) P&D Department stated that SIDA should carefully identify works specially in LBCAWB to avoid any duplication of works. The representative of Planning Commission stated that in case of deviation from PC-I cost as well as scope of work, the SIDA has to go for revision of PC-I accordingly.
- iv) The Chair desired that the process for award and implementation of civil works should be speedup as per agreed time frame and the quality of works should properly be observed through an effective supervision and monitoring mechanism. The each project partner/consultants have to play its role efficiently.

Component-C (Preparation of Master Plan for addressing the floods and drainage issues of Left Bank of Indus and Carrying out feasibility studies for Barrages)

- i) MD SIDA informed that after finalization of all procurement process, IPD has signed the Contract Agreement on 17th March, 2011 with M/s MMI selected firm for preparation of detailed diagnostic study of Guddu Barrage. The Consultants team would be mobilized very soon.
- ii) SIDA was directed to complete the procurement process as soon as possible for carrying out feasibility study for Sukkur Barrage so that problems/issues could be identified. On a query from the Chair, the representative of IPD stated that there would be no any duplication of works of study being carried out under WSIP as well as through PSDP/ADP.

Component-D (Project Monitoring & Evaluation and impact of project)

- i) The Project Coordinator, PCMU apprised the forum on the matter relating with M&E Consultants as per details provided in the working paper of the meeting. It was informed that as per mutual understanding agreed during the meeting held on 19th January, 2011 in presence of World Bank, the PCMU issued advise to SIDA for release of the payment to the Consultants. Now the Consultants have to deliver and perform their duties as per their role and responsibility of TORs.
- ii) The ACS (Dev.) directed that PCMU and PMC/A to closely observe the performance and progress of the Consultants and in case of non responsiveness, the position should immediately be apprised.
- iii) The Chair desired that in future PSC meetings, the Team Leader, M&ECs will make a presentation on the implementation performance and progress of Project and issues being observed by them during the implementation period in view of its role and responsibility of the Consultants.

Component-E (Project Management, Coordination, Strategic Studies and Trainings)

- i) The Project Coordinator, PCMU informed that the activities related with Component-E of the project related with research and trainings, the implementation actions were kept in pending due to the proposal for diversion of WSIP funds for rehabilitation of floods affected areas. Since now the decision has been made that no funds are being diverted, therefore, PCMU will re-activate the activities as per original approved/agreed plan. The position would be apprised to ACS (Dev.) before re-activation of such activities.

Finance and Audit Issues of the project:

- 6. SIDA was directed to settle the audit paras immediately as per audit reports and ensure for compliance of the audit direction in financial management.

Item # 3: Compliance status of the decisions of previous (12th) meeting of PSC.

- 7. It was informed that PCMU through its monthly review meetings pursued with SIDA for compliance of the decisions of previous meeting and most of decisions have been complied However, SIDA was directed to comply the pending / non compliance actions/decision.

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Item # 4: Compliance Status of agreed actions / recommendations highlighted in recent World Bank Mission's *aide-memoire* (July 2010)

8. The position was appraised as per working paper of the meeting. In this regard SIDA was directed for compliance of recommendations/actions proposed by the World Bank Mission. PCMU may actively pursue for early compliance.

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

List of the Participants of the 13th Meeting of PSC, WSIP held on 19th March, 2011

- 1) Mr. Muhammad Ishaque Lashari In Chair
Additional Chief Secretary (Dev), P&D Department
- 2) Dr. Qazi Masood Ahmed, Chief Economist, P&D Department, GoSindh
- 3) Dr. Fateh Muhammad Marri, Project Coordinator, PCMU, WSIP
- 4) Syed Mazhar Ali Shah, Additional Secretary, IPD, GoSindh
- 5) Mr. Muhammad Ehsan Leghari, Managing Director, SIDA/P.D, WSIP
- 6) Mr. Khair M. Kalwar, Additional Secretary, Finance Department, GoSindh
- 7) Mr. Fazal A. Nizamani, Senior Chief (W&P) P&D Department, GoSindh
- 8) Mr. Fazal-e-Akbar, Deputy Chief, Planning Commission, GoPakistan
- 9) Mr. Zahid Hussain Bhurgari, FOs representative/Member NCAWB
- 10) Mr. Nazir Hussain Mughal, Director (C&WM) PCMU, WSIP
- 11) MR. Ylli Dedja, Team Leader, PMC/A WSIP
- 12) Mr. Zahid Hussain Junejo, Project Director, WSIP, SIDA
- 13) Mr. Naushad Ali Jamali, Project Director, AE&WM, Agriculture Department, GoSindh
- 14) Mr. Faizullah Khatri, Chief (E) P&D Department, GoSindh
- 15) Mr. Nazeer Ahmed Memon, General Manager (Transition) SIDA
- 16) Mr. Naeem Ahmed Memon, General Manager (Finance) SIDA
- 17) Mr. Jai Ram Motwani, Acting General Manager (Operation) SIDA
- 18) Mr. Abbas Ali, Assistant Chief (F.Aid) P&D Department, GoSindh
- 19) Mr. Ishtiaque Ahmed, Assistant Chief (W&P) P&D Department, GoSindh
- 20) Mr. Muhammad Ashraf Sahto, Assistant Director Sindh CDA
- 21) Mr. Guy Jones, Team Leader, PICs, WSIP
- 22) Mr. Carlos Gandarillas, Team Leader Master Plan Consultants, WSIP
- 23) Mr. Rana Muhammad Ashiq, Team Leader, M&E Consultants, WSIP
- 24) Mr. Khadim Ali Memon, Deputy Team Leader, PICs, WSIP
- 25) Mr. Ghulam Hyder Qureshi, Sociologist, PCMU/WSIP, P&D Department