



SAY NO TO CORRUPTION

NO: PCMU/WSIP/05/2014/746

Government of Sindh
Planning & Development Department
Project Coordination & Monitoring Unit
Water Sector Improvement Project

Karachi dated 4th November, 2016

To,

- 4/11/16*
1. The Secretary to Government of Sindh, Finance Department, **Karachi**
 2. The Secretary to Government of Sindh, Irrigation Department, **Karachi**
 3. The Secretary to Government of Sindh, Forest & Wide life Department, **Karachi**
 4. The Secretary to Government of Sindh, Agriculture Department, **Karachi**
 5. The Secretary to Government of Sindh, Environment Department, **Karachi**
 6. Additional Secretary (Coordination), SGA&C Department, GoSindh, **Karachi**
 7. The Managing Director, SIDA, **Hyderabad**
 8. The Chief Engineer, Water South, WAPDA **Hyderabad**
 9. The Director General, AE&WM, Sindh, **Hyderabad**
 10. The Director General, Coastal Development Authority, **Karachi**
 11. The Project Director, WSIP, SIDA, **Hyderabad**
 12. Mr. Zahid Hussain Bhurgri, FO Member in Nara Canal AWB, **Mirpurkhas**
 13. Mr. Sohail Akbar Mirza, Farmer Representative, LBCAWB, **Badin**
 14. Mr. Aakash Ansari, Chairman SINGOF, **Badin**

Subject: Minutes of Twenty Third (23rd) Meeting of the Project Steering Committee (PSC) for Sindh Water Sector Improvement Project Phase-I (WSIP-I).

Please find enclosed herewith final minutes of subject meeting held on **22nd September, 2016** under the Chairmanship of Additional Chief Secretary (Dev), P&D Department, GoSindh in the Committee Room of P&D Department, Government of Sindh, Karachi.

o/c

(Dr. Fateh M. Marri)
Project Coordinator
Member/Secretary, PSC

Copy along with copy of minutes to:

- The Secretary, Planning Commission, GoPakistan, **Islamabad**
- Team Leader, Project Management Consultant/Agent, PCMU, WSIP, **Karachi**
- The Chief (W&D), P&D Department, GoSindh, **Karachi**
- The Chief (F. Aid), P&D Department, GoSindh, **Karachi**
- PS to ACS (Dev), P&D Department, GoSindh, **Karachi**
- PS to Chief Economist, P&D Department, GoSindh, **Karachi**
- Master File *4-11-16*

04/XI/16

Minutes of Twenty Third (23rd) Meeting of Project Steering Committee (PSC) for Sindh Water Sector Improvement Project Phase-1 (WSIP) held on Thursday 22nd September, 2016 under Chairmanship of ACS (Dev), P&D Department, Government of Sindh

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

The meeting started with recitation from the Holy Quran. Thereafter, the Chair welcomed participants and asked Project Coordinator, WSIP-PCMU who is Member / Secretary of the Committee to start the proceedings.

Agenda Item No.1: Confirmation of the minutes of Twenty Second (22nd) Meeting of the Committee held on 2nd February, 2016.

2. Project Coordinator, WSIP-PCMU informed the Committee that minutes of 22nd Project Steering Committee meeting held on 2nd February, 2016 were circulated to all members and no comment / observation from any member has been received. The Chair with the consent of members declared the minutes approved.

Agenda Item No. 2: Updated Implementation Status/Progress of Activities Carried out under Revised Project Followed by Compliance of Decisions of the Previous Meeting.

3. Giving the updated implementation status progress of the project activities as per agenda item No. 2. the Project Director, WSIP apprised the forum about the implementation status of activities under Component-A of WSIP. It was informed that in accordance with the decision of previous meeting of the Committee, the approval from the Chairman SIDA/the then Senior Minister Irrigation was obtained for recruitment of staff from market on different positions lying vacant in SIDA the selection process of eleven (11) positions through PMC/A has been started. Based on the recommendations of PMC/A approved by Honourable Chief Minister Sindh, the selected candidates have been offered for joining their positions in SIDA. Some of the selected and approved candidates have joined their positions and remaining will join soon. *The Chair directed that proper staff management should strictly be followed to get the maximum output/results for the success of project as well as SIDA.*

4. The Project Director, WSIP further apprised the committee about progress on reforms related activities including Abiana, social mobilization and stated that, although it is slow, especially Abiana recovery, but efforts are being made to improve the progress/position. In this regard time bound action plan has been prepared in the light of decision of previous meeting for completion of these activities within the targeted period. Dr. Ylli Dedja, Project Consultant expressed his reservations on the slow moving progress and urged for more efforts to move fast, especially strengthening of FOs and appointment of Directors in Area Water Boards. On a query raised from the Chair, PD WSIP explained the reasons behind slow progress of Abiana recovery and requested for help and support from different quarters including local administration. *In this regard, the Chair directed SIDA to submit detailed position including list of defaulters and issues/problems with recommendations so that matter may be taken accordingly with the involvement of local administration for providing support in recovery of Abiana. However, SIDA especially AWBs and Transition wing should play its role and take all efforts to speed-up the implementation of other reforms related activities as per the plan.*

5. During the meeting, SIDA raised the issue for enhancement of salary package of staff working in SIDA and AWBs under WSIP Project. It was informed, that as per decision of previous meet-

ing, the proposal was sent to Finance Department, GoSindh for their consent of 50% enhancement in salary package of the staff. In response, Finance Department agreed to enhance salary package up to 20% instead of proposed 50%. The issue was further discussed in detail and *the forum including Secretary Finance agreed for enhancement in salary of staff of WSIP (SIDA, AWBs and PCMU) by 20% based on the current salary as of 23rd September, 2016 onward and without allowing any arrears. SIDA may bring the issue before this forum for any further decisions, if required.*

6. Project Coordinator, WSIP-PCMU requested MD SIDA to arrange meeting of SIDA Board after getting time from Honourable Chief Minister Sindh / Chairman SIDA to discuss various matters related to SIDA including approval of entity audit report as World Bank is pressing for issuance of audit report. The delay in this regard may affect the fund flow for WSIP from World Bank.

7. Discussing the status of trainings activities under the project, the Project Coordinator, WSIP-PCMU informed that as per provision in the approved training plan of additional financing of WSIP, PCMU have arranged trainings for the project staff and officials of project partners at national as well as international levels. About 81 numbers of Project Staff as well as Officials of Government of Sindh from relevant departments participated in different training events and workshops/seminars held at national as well as international institutions. It also include exposure visits recently arranged outside of country for nine farmer members of three AWBs including Chairmen of AWBs to witness the farmers role and responsibility under irrigation management so that they can actively play their role in AWBs. *The Chair directed that efforts should be made to strengthen the reforms & institutions for better results and benefits to the farmer community.* Moreover, it was highlighted that business rules of SIDA are yet to be approved from Honourable Chief Minister of Sindh and Summary is pending in Irrigation Department. The representative of Irrigation Department assured to move the same to Chief Minister.

8. Apprising the forum about the implementation status of activities under Component-B of WSIP, Project Coordinator, WSIP-PCMU informed the committee that there was a provision of Rs. 10,635 million in the revised PC-I for rehabilitation of Ghotki Feeder Canal, Fulleli canal, and Mithrao canal. Separate contract packages were prepared for the rehabilitation of each of three canals. All three contracts have been awarded at the total combined cost of Rs. 9,428 million. With the permission of Chair, Chief Resident Engineer, Project Implementation Consultants (PIC) was then invited to brief the forum on the contracts.

9. Contract Package No. WSIP/B1/FG/01 (Rehabilitation of Ghotki Feeder Canal): Chief Resident Engineer (CRE), PIC informed the house that the contract for Rehabilitation Ghotki Feeder Canal was signed on 1st January, 2016 at a value of PKR 2,989 million for a total duration of two years. The scope of work for the contract includes; rehabilitation of Ghotki Feeder Canal from RD 0 to 127, including replacement of two major cross regulators & 10 head regulators branch, distributaries and minor canals, replacement/construction of two pre-stressed bridges, rehabilitation of four village road bridges, and construction of 13 direct outlets. He visually presented the quality and progress of work with the help of photographs and progress charts. It was informed that overall 15 percent physical progress has been achieved, which is quite satisfactory. Chief Resident Engineer, PIC informed the committee that there are problems with regard to availability of clear Right of Way of the canal, which as per design of the contract, is required for many earthwork activities. Unfortunately, many adjacent farmers are cultivating crops on right of way of the canal. To achieve the planned progress

and to avoid the claims from the contractor, it is earnestly and immediately required that these farmers be persuaded to discontinue such cultivation on the right of way of the canal to enable the contractor to carry out earthwork activities without any hindrance. He also raised the issue of security concern and informed that though some security arrangements are made and the contractor has also arranged for his own security but additional security is needed for the sake of smooth work. Project Director, WSIP informed the committee that he is extensively perusing the matters and is frequently visiting the project site and meeting the concerned people.

10. Contract Package No. WSIP/B1/LB/01 (Rehabilitation of Fulleli Canal): Chief Resident Engineer, PIC informed the house that Contract for Rehabilitation of Fulleli canal was signed on 1st February, 2016 at the value of PKR 2,860 million. The scope of work for the contract include; replacement of three main cross regulators and 10 head regulators of branch distributaries and minor canals, rehabilitation of nine head regulators, replacement of pre-stressed village road bridge, protection of meandering sections of Fulleli Canal, realignment of Inspection Paths / Non-Inspection Paths, and construction of three office buildings, one bungalow in Matli and Engineer's residence, office, staff accommodation and laboratory building at Tando Mohammad Khan. He informed the house that 6% physical progress has been achieved. The pace of work is slow but efforts are being made to catch up the target. CRE, PIC further informed the committee that there is land acquisition requirement under the contract; some of it has already been acquired and for the rest, land acquisition process is in progress; hence, there is no potential hindrance in the execution of works. Project Director, WSIP also briefed the Committee about the latest developments with regard to land acquisition and efforts made by SIDA and LBCAWB.

11. Contract Package No. WSIP B1 NC-03 (Rehabilitation of Mithrao Canal): CRE PIC informed the committee that the contract was signed on 8th April, 2016 at the value of PKR 3,579 million and commenced on 8th June, 2016. The scope of work under the contract include; remodelling of Mithrao Canal and embankment strengthening from RD 5 to 65, replacement of nine cross regulators on Mithrao Canal and 22 head regulators of branch, distributary and minor canals, rehabilitation of three bridges and provision of stone pitching to non-rehabilitated bridges, construction of nine operative outposts, 12 AWB buildings and nine direct outlets. He informed the forum that overall 3% physical progress has been achieved till now, which is quite low but looking at the preparations made on site by the contractor, he is convinced that progress speed would be improved soon.

12. *After presentation from CRE, PIC, the Committee instructed the Project Director, WSIP to speed up the progress and chalk out all issues pertaining to three contracts and list out the concerned persons to be contacted, so that a meeting is convened in Planning and Development Department to resolve all pressing issues.*

Agenda Item No. 3: Financial Management of the Project in View of Timely and Prudent Utilization of Funds and Project Audited Accounts.

13. The Committee was informed that World Bank has disbursed Rs. 2,033 million (US\$ 19.395 million) under Additional Financing. An amount of Rs. 1,490 million (US\$ 14.209 million) has been spent upto June 2016 and funds to the tune of Rs. 543 million (US\$ 5.186 million) are available in the Designated Account. It was also informed that SIDA releases the budgeted amounts to three AWBs and PCMU on the basis of statement of expenditure and three months' forecast. It was further informed that Director General Audit Sindh has carried out audit and the same has been sent to World

Bank through AGPR; whereas, the Entity Audit has been completed and awaits the approval of SIDA Board.

14. The Committee was informed that SAP connectivity in case of WSIP is fully functional and expenditures are being reported on real time basis through it, hence the endorsement condition of cheques may not be required. General Manager Finance, SIDA also acquainted the Committee of the hardships being faced due to delays made because of endorsement condition. Project Coordinator WSIP-PCMU informed the forum that World Bank in their recent Sindh Portfolio Review has shown concern that cheques' endorsement from treasury office is being done in the WSIP after the SAP connectivity. *The Committee decided that the matter would be separately discussed with Secretary Finance to seek a permanent solution and SIDA will send details to the Finance Department.*

Agenda Item No. 4: Procurement of Consultancy Services for Monitoring, Evaluation of Project Impact and Supervision of Environmental Management Plan under Revised Project Period.

15. The Committee was informed that evaluation is in process for procurement of consultancy services for monitoring and evaluation of the project. The combined evaluation report prepared by PMC/A has been cleared by the Committee, which after PSC meeting will be sent to World Bank for NOL. Dr. Ylli Dedja, Project Consultant informed the meeting about the evaluation results & scores. *The forum asked Project Coordinator, WSIP-PCMU to seek NOL from World Bank and sign the contract, so that the monitoring of the project can be done effectively.*

Agenda Item No. 5: Update on Feasibility Study for Rehabilitation of Sukkur Barrage.

16. Additional Secretary (Technical), Irrigation Department informed the Committee that on the basis of consultant's recommendations and decisions of Govt. of Sindh taken in a meeting held under the chairmanship of Honourable Chief Minister Sindh in November 2015, a Concept Clearance Proposal (CCP) was prepared by Irrigation Department for rehabilitation and modernization of Sukkur Barrage. It was also informed that a request has been sent to Economic Affairs Division to request World Bank for extending financing to Sukkur Barrage Project.

17. Views of the representative of Planning Commission were sought who was of the view that the Concept Note after clearance from PDWP be sent to Planning Commission. In case funding from federal government is required then it has to come through Ministry of Water and Power.

Decisions of 23rd PSC Meeting

- i. Project Steering Committee unanimously approved the Minutes of 22nd PSC meeting without any change.
- ii. SIDA would submit detailed position including list of Abiana defaulters and issues/problems with recommendations of solution so that matter may be taken accordingly with the involvement of local administration for providing support in recovery of Abiana.
- iii. SIDA will take all efforts to speed-up the implementation of other reforms' related activities as per the plan including strengthening of FOs, AWBs and appointment of Directors of AWBs by the Board.
- iv. 20% enhancement in salary of WSIP staff was allowed with effect from 23rd September, 2016. SIDA may bring the issue before SIDA Board for any further decisions, if required.

- v. Irrigation Department would move Summary for the Chief Minister Sindh for approval of business rules of SIDA.
- vi. Project Director would chalk out all issues pertaining to three major B1 contracts i.e. GF-01, LB-01, and NC-03 and list out the concerned persons to be contacted, so that a meeting is convened in Planning and Development Department to resolve all pressing issues.
- vii. NOL from World Bank be sought on Combined Evaluation Report for M&E Consultancy.
- viii. Concept Clearance Note will be sent to federal government after clearance from PDWP.
- ix. MD SIDA will request Honourable Chief Minister Sindh / Chairman SIDA for convening SIDA Board meeting.

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

LIST OF PARTICIPANTS**23RD MEETING OF PSC WSIP HELD ON 22ND SEPTEMBER, 2016**

- In Chair**
- 1) Mr. Muhammad Waseem, ACS (Dev), P&D Department, GoSindh
 - 2) Mr. Hafeez Abbasi, Chief Economist, P&D Department, GoSindh
 - 3) Mr. Hassan Naqvi, Secretary, Finance Department, GoSindh
 - 4) Dr. Saeed Ahmed, Secretary, Agriculture Department, GoSindh
 - 5) Dr. Fateh M. Marri, Project Coordinator, WSIP/PCMU P&D Department, GoSindh
 - 6) Mr. Aslam Ansari, Additional Secretary (Tech), Irrigation Department, GoSindh
 - 7) Mr. Muhammad Khan Nizamani, Managing Director, SIDA
 - 8) Mr. Jamaluddin Mangan, Project Director, WSIP, SIDA
 - 9) Mr. Saeed Akhtar Baloch, Conservator of Wildlife, Sindh Wildlife Department, GoSindh
 - 10) Mr. Muhammad Asif Domki, Conservator of Forest, Sindh Forest Department, GoSindh
 - 11) Mr. Waqar H. Phulpoto, Director, Sindh Environmental Protection Agency
 - 12) Mr. Sarfaraz Ahmed, Deputy Chief (W). Planning Commission, Govt. of Pakistan
 - 13) Ms. Robina Wahaj, Team Leader, FAO-PMC/A, WSIP
 - 14) Mr. Ylli Dedja, Consultant, PCMU, WSIP
 - 15) Dr. Akash Ansari, Chairman, SINGOF
 - 16) Mr. Nazir Hussain Mughal, Director (C&WM) PCMU, WSIP
 - 17) Mr. Nazeer Ahmed Memon, General Manager, Transition SIDA
 - 18) Mr. Naeem Ahmed Memon, General Manager, Finance, SIDA
 - 19) Mr. Jai Ram Motwani, General Manager, Operation, SIDA
 - 20) Mr. Ghulam Murtaza Abro, Assistant Chief (W&D), P&D Department, GoSindh
 - 21) Mr. Javed Akhtar Memon, Irrigation and Drainage Engineer, PCMU, WSIP
 - 22) Abdul Aziz Channa, Deputy Secretary (Tech), Agriculture Department, GoSindh
 - 23) Mr. Adnan Hamid Khan, Deputy Sanctuary Warden, Sindh Wildlife Department
 - 24) Mr. Ghulam Hyder Qureshi, Procurement Specialist, PMC/A, WSIP
 - 25) Ms. Saba Ansari, Planning Officer, P&D Department, GoSindh
 - 26) Mr. Riaz Ali Gahoti, Planning Officer, P&D Department, GoSindh
 - 27) Mr. Mahe Mahendrarajah, Chief Resident Engineer, PICs, WSIP
 - 28) Mr. Nazir Ahmed Lashari, Resident Engineer, PICs, WSIP