



**Operational Risk Assessment (ORA)  
for  
Local Government Engineering Department (LGED) in  
Bangladesh  
Final Implementation Plan**

October 2009

## Acronyms

AASHTO	American Association of State Highway and Transportation Officials		
ACC	Anti-Corruption Commission	NCB	National Competitive Bidding
ACE	Additional Chief Engineer	NGO	Non Governmental Organization
ACR	Annual Confidential Report	NRP	National Resettlement Policy
ADB	Asian Development Bank	OP	Operational Policy
ADP	Annual Development Program	ORA	Operational Risk Assessment
AE	Assistant Engineer	PD	Project Director
AEE	Assistant Executive Engineer	PEFA	Public Expenditure and
ASTM	American Society for Testing and Materials		
BBA	Bangladesh Bridge Authority		Financial Accountability
BoQ	Bill of Quantities	PHED	Public Health Engineering
BWDB	Bangladesh Water Development Board		Department
CE	Chief Engineer	PIC	Project Implementation
C&AG	Comptroller and Auditor General		
CGAD	Controller General of Accounts Department	PMS	Committee Progress Monitoring System
CMS	Central Monitoring System	PMU	Procurement Monitoring Unit
CPTU	Central Procurement Technical Unit	PPR	Public Procurement Regulation
CUL	Compensation Under Law	PRMF	Procurement Risk Mitigation
DBST	Double Bituminous Surface Treatment		Framework
DC	Deputy Commissioner	PROMIS	Procurement Management Information System
		PSC	Public Service Commission
DFID	U.K. Department For International Development	PWD	Public Works Department
		QC	Quality Control
DPHE	Department of Public Health Engineering	RAP	Resettlement Action Plan
DSM	Design, Supervision and Monitoring	RIMMU	Rural Infrastructure
FORMIP	Fiduciary and Operational Risk Management Improvement Plan	RPM	Maintenance Management Unit Regional Procurement Manager
GCM	Growth Center Markets	RRSU	Regional Road Safety Unit
GIS	Geographical Information System	RRMIMP	Rural Roads and Markets Improvement and Maintenance
GOB	Government Of Bangladesh		Project
HDM	Highway Development Model		
HQ	Head Quarters	RTIP	Rural Transport Improvement Project
HR	Human Resources		
IBAS	Integrated Budgeting And Accounting System	SAE	Sub Assistant Engineer
		SBST	Single Bituminous Surface Treatment
ICT	Information And Communication Technology	SE	Superintending Engineer
IDSS	Information Decision Support System	SBD	Standard Bidding Document
IPR	Independent Procurement Review	SSR	Standard Schedule of Rates
ISAP	Institutional Strengthening Assessment Program	SUR	Structures in Rural Roads
		Tk	Taka
ISO	Industrial Standards Organization	TNA	Training Needs Assessment
JV	Joint Verification	TPS	Transactions Processing System
LAN	Local Area Network	TSA	Transport Safety Assessment
LG	Local Government	UE	<i>Upazila</i> Engineer
LGD	Local Government Division, Ministry Of Local Government, Rural Development And Cooperatives	UNO	<i>Upazila Nirbhai</i> Officer (Admin Head)
		UP	Union <i>Parishad</i> (Council)
LGEB	Local Government Engineering Bureau	UPO	<i>Upazila</i> Office
LGED	Local Government Engineering Department	UPC	Union <i>Parishad</i> Complex
		UZR	Improvement of <i>Upazila</i> Roads

M&E	Monitoring and Evaluation	WB	World Bank
MANCAPS	Management Capability Strengthening Project	WPW	Works Program Wing
		XEN	Executive Engineer
MoE	Ministry of Establishment		
MoF	Ministry of Finance		
MIS	Management Information System		
MS	Microsoft		
MSP	Municipal Support Project		

## INTRODUCTION

1. In April, 2008 the World Bank and the Local Government Engineering Department (LGED) commenced a study with the following objectives: (i) to assess fiduciary and operational risks in Local Government Engineering Department (LGED)'s management of projects, assets and other resources, and in the Local Government Division, Ministry Of Local Government, Rural Development and Cooperatives' (LGD's) oversight function; (ii) to evaluate the efficacy of external review of decision-making by LGED and the LGD; and (iii) to identify options for future monitoring of operational risks in LGED and the LGD, and (iv) to prioritize options which are realistic and available to effectively minimize (and where possible, eliminate) the major operational risks identified;

2. This report addresses the last of these objectives. It is based on discussions in Dhaka 14-20 March with senior LGED staff the ORA team leader, and follow-up work by LGED staff through March 30. The report identifies and categorizes three different types of risks. The first type includes risks that LGED has the authority to take the necessary actions to address, with support from development partners and routine budgetary spending and staffing authorizations needed from other agencies. The second type includes risks that can only be addressed by LGED in partnership with one or more other organizations. In other words, it can initiate some parts, but will also need key partners to make necessary decisions to carry out the recommended actions. Although initial work on these can begin right away, successful implementation is expected to take longer than addressing the first type of risks. The third type includes risks that stem from the external environment in which LGED operates. LGED cannot take any direct action to address them. Yet, based on a full understanding of the nature of the risk, LGED may be able to take indirect actions to mitigate the relevant operational and fiduciary risks to LGED's operations and reputation. These are more complex than the first two types, and may take more time to address.

3. Once finalized, the report will be presented and discussed at the ORA Dissemination Workshop tentatively scheduled for July, 2009, with participants from Government, civil society, and international partner organizations. Following approval by the Local Government Division, Ministry Of Local Government, Rural Development and Cooperatives, LGED will begin implementing the risk mitigating measures according to the attached schedule.

## Implementation Plan, Internal Organization (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
LGED's structure, whilst promoting effective internal command and control for line implementation, is less effective in providing inter-organizational support functions across line departments.	Adopt a matrix structure with 7 new Divisions to include 5 Line and 2 Staff Divisions as well as additional units with the newly proposed Maintenance Division, Planning and designing and Administration and Finance	Addl. CE (Admin & Finance) SE (Admin)	LGED, MOE, MOF	Finalization and submission of revised organogram	April, 2010	-
Lack of adequate line management positions, powers and responsibilities at SE Regional level <i>due to shortage of line staff</i>	Detailed analysis of staff skills, workload, and the level of willingness of field staff to take responsibility for decision making rather than simply passing on the responsibility to higher tiers of management.  Ensure all SE Region posts are vested with line powers and allocate 2 EE posts and 2 AE posts to SE Region Office.	Addl. CE (Admin & Finance) SE (Admin)	LGED, MOE, MOF	<ul style="list-style-type: none"> <li>• Analysis completed</li> <li>• Vesting line power to the regions</li> <li>• Creation of post</li> <li>• Recruitment</li> </ul>	December, 2009  April, 2010  July, 2013  July, 2014	-  -  -
Dependence on development partners for funding training; improvements needed in some course material, training selection and follow up.	Implement ISAP recommendations, including allocating a higher % of revenue budget for in service training, and specifying key training requirements for each category of post.  Establish data base of training needs and attendance, and link selection and use of course materials to requirements.	SE (Training)/ SE (Admin)	Career Planning and Training Wing, MOE	<ul style="list-style-type: none"> <li>• Allocation of higher annual training budget &amp; TNA to be conducted every five years.</li> <li>• Establishing database</li> <li>• Updating database</li> </ul>	June, 2011 Every year	

<p>Not enough mechanisms available to LGED to reward high performance amongst staff or to penalize poor performance.</p>	<p>Introduce an internal staff assessment process, separate from the routine ACR, which would enable the organization to better target non monetary incentives to reward good performance, including employee recognition, team awards, and access to training and staff development opportunities. Enforce sanctions for poor performance.</p>	<p>CE/ Addl. CE (All)/ SE(All)</p>	<p>MOE</p>	<ul style="list-style-type: none"> <li>• Review of internal staff assessment process</li> <li>•</li> </ul>	<p>June, 2010 &amp; every year onwards</p>	<p>-</p> <p>-</p>
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## Implementation Plan, Internal Organization (Type 2)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
The lack of a clearly articulated vision undermines the quality of strategic planning.	Strengthen existing initiatives to formulate Vision Statement to ensure it clearly defines the future direction and shape of LGED as a complement to the ISAP.	SE (Admin)	LGD, MOE	<ul style="list-style-type: none"> <li>• LGED to follow up the approval process of the vision statement previously sent to LGD</li> <li>• Supplementing the present vision statement</li> </ul>	<p>June, 2010</p> <p>December, 2010</p>	-
Lack of sanctioned posts at senior and middle management level hampers alignment of staff and workloads.	Increase number of senior staff to enable new organizational structure with additional 3 ACEs HQ, 20 EEs and 20 AE at Regional level. Longer term increases of 50 XENs) and 250 AEs to improve alignment of staff and workloads.	SE (Admin)	LGD, MOF, MOE, PSC	<ul style="list-style-type: none"> <li>• Finalization and submission of revised organogram</li> <li>• Post creation</li> <li>• Recruitment</li> </ul>	<p>April, 2010</p> <p>July, 2015</p> <p>July, 2016</p>	-
Majority of staff in the technical grades are over 40 years of age.	Establish systematic approach to succession planning as a part of HR function to highlight age imbalances and report to LGD and MOE.	SE (Admin)	LGD, MOE, PSC	<ul style="list-style-type: none"> <li>• Sending recruitment proposal to the GOB every year</li> <li>• Establishing database</li> </ul>	<p>From April, 2010 and onwards</p> <p>December, 2010</p>	-
Not enough routine succession planning within the organization, contributing to the need for regular <i>ad hoc</i> recruitment to address critical vacancies.	Undertake bi-annual staffing reports showing critical vacancies and requirements against workloads. Such reports to be forwarded to MOE with intent to integrate this into GOB wider project for strengthening HR Planning (funded by DFID).	SE (Admin)/ SE (Trg)	LGD, MOE, MOF, PSC	Establish database and submit bi-annual report	April, 2010 and onwards bi-annually	-

### Implementation Plan, Internal Organization (Type 3)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
<p>Compensation rates too low for staff, and compression ratio does not adequately reflect the difference between jobs and responsibilities.</p>	<p>Overall need to increase pay by around 40%. Compression ratio increased from 10 to 20 to provide adequate differentials between classes, grades and responsibilities. Pay scales for many grades to be shortened.</p>	<p>None</p>	<p>LGD, MOE, MOF</p>	<p>Difficult to set</p>	<p>-</p>	<p>Not known</p>
<p>Recruitment process doesn't put enough emphasis on experience, attitude and character <i>vis a vis</i> academic qualifications and examination. Insufficient promotion opportunities mean that many staff at XEN and SE level are forced to make do with pro-forma promotions where they occupy more senior posts for which they are not compensated.</p>	<p>Recruitment process to be undertaken by the professional examination board to scrutinise applications, set and mark papers and screen applicants for interview board led by PSC. Expand promotion opportunities by expanding number of senior posts, improving promotion assessment procedures, and introducing effective succession planning (cf. type 2 action above)</p>	<p>None</p>	<p>LGD, MOE, PSC</p>	<p>Difficult to set</p>	<p>-</p>	<p>-</p>



## Implementation Plan, Information and Communication Technology-ICT (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
Multiple disparate systems, which sometimes duplicate or overlap with each other, prevent LGED from getting a holistic organisation-wide picture, making value for money type reviews difficult.	Develop long term ICT and MIS blueprint, including short-, medium- and long-term implementation plans for e-governance.	Addl. CE (Planning & Design)/SE/PD in Charge of GIS/MIS	LGD	Preparation of ICT development plan	June, 2010	BDT 6.0 million
Limited use of ICT for core functions (such as financial management, procurement, human resource management, etc.). Almost all the software being used by LGED is based upon older client-server technology.	<ul style="list-style-type: none"> <li>Develop/procure an integrated, comprehensive, enterprise-wide, workflow-based, decision-support system (IDSS) which is both modular and scalable, and based on web technologies.</li> <li>Replace/transition to web based solutions.</li> </ul>	SE/ PD in Charge of GIS/ MIS	LGD, CPTU, IMED, C&AG, MOF	<ul style="list-style-type: none"> <li>Development of procurement management, financial management, HRD software</li> <li>Preparation of conversion of all client-server based to web-based software done.</li> </ul>	June, 2011	BDT 200.00 million
GIS data are not fully utilized for infrastructure planning and design.	<p>Spatially reference databases (like infrastructure, agriculture, environment, land rights, socio-economic data, etc.) as different thematic layers of a GIS solution based on a common Base Map.</p> <p>Also, make GIS available both at HQ and in all the regional field offices.</p>	Addl. CE (Planning & Design) in Charge of GIS/MIS	LGD, Planning Commission	<ul style="list-style-type: none"> <li>Preparation of Policy framework</li> <li>Development of Implementation guideline</li> <li>Re-structuring of GIS database done</li> <li>Acquisition and validation of additional data done</li> </ul>	<p>December, 2009</p> <p>March, 2010</p> <p>December, 2010</p> <p>July, 2011</p>	BDT 80.00 million
The security protocols and systems currently in vogue at LGED are fairly basic leaving key systems vulnerable to security breaches.	Either implement an IDSS or get an Information Systems and Security Audit done.		MOSICT, LGD	<ul style="list-style-type: none"> <li>Setting of Data Security Protocol</li> <li>Preparation of Implementation Guidelines and conducting of training</li> </ul>	<p>December, 2009</p> <p>June, 2010</p>	BDT 6.0 million

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Information and Communication Technology-ICT (Type 2)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
Almost the entire ICT staff available with LGED is temporary and paid through development partner funded projects, and ICT systems have limited documentation.	LGED establish a permanent MIS / ICT Unit with regular, annual funding from the revenue budget, and not dependent exclusively on development partner funding / projects, staffed by competitively paid employees and contractors.	Addl. CE (Planning & Design)/ SE/ PD in Charge of GIS/ MIS  SE (Admin)	LGD, MOE, MOF, PSC,	<ul style="list-style-type: none"> <li>• Submission of proposal for revised organogram</li> <li>• Approval of Organogram by the Govt.</li> <li>• Recruitment of staff done by PSC</li> </ul>	<p>April, 2010</p> <p>As and when done</p> <p>As and when done</p>	-  -  -
Although considerable data are available within the LGED systems, they are invariably not accessible freely or easily.	Implement, as part of a web based IDSS, a centralized contracts database (covering all past and current LGED contracts) and a contractors database (covering all contractors who have or are executing any project for LGED) to facilitate contracts and contractors' performance evaluation, benchmarking and monitoring, and complaints resolution.	Addl. CE (Planning & Design)/ SE/ PD in Charge of GIS/ MIS  Procurement Unit	LGD, CPTU	<ul style="list-style-type: none"> <li>• Policy frame work as and when agreed by CPTU</li> <li>• Implementation Plan developed and data are available online</li> </ul>	<p>As and when agreed by CPTU</p> <p>As and when agreed by CPTU</p>	-  -

### Implementation Plan, Information and Communication Technology-ICT (Type 3)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
ICT improvements will not be fully available to LGED's field offices because of limited access to power and Internet connectivity	Power sector reforms, national rollout of WIMAX, and connectivity to Finance Division network	-	Bangladesh Power Development Board, Rural Electrification Board, Independent Power Producers and other private sector companies, BTRC, LGD, WIMAX operators, Finance Division	Power and internet Connection available in all field level offices.	WIMAX selectively available in second half, 2009, Finance Division network is currently in operation	Each PC connection for WIMAX: 3,000-5,000 taka, plus unknown monthly charge. Up to 1200 computers would need to be connected.

## Implementation Plan, Quality Control (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
Approval of work not meeting approved specification requirements due to insufficient quality assurance and non enforcement of penalty	Strengthen the district, regional and central laboratories with equipment and skilled manpower. Operate all laboratories under the direction of the central laboratory at Dhaka with international certification, and quality control audits to be carried out at least every 2 years to ensure sustainability of invested assets	Additional CE, Admin & Finance XEN, Quality Control, Central Quality Control Unit	LGD, Consultants	<p><b><u>Control of Laboratories:</u></b></p> <p>All laboratories of LGED are now working under the direction of the central laboratory at Dhaka.</p> <p><b><u>International certification:</u></b></p> <ul style="list-style-type: none"> <li>• Government policy decision</li> <li>• Appointment of ISO consultant and its recommendation</li> <li>• Government approval for improved management in the laboratories</li> <li>• Providing any physical support for the laboratories to meet the ISO requirements, if any</li> <li>• Applying for ISO certification</li> </ul>	<p>-</p> <p>June, 2010</p> <p>June, 2011</p> <p>December, 2011</p> <p>June, 2012</p> <p>September, 2012</p>	<p>-</p> <p>-</p> <p>BDT 0.50 million</p> <p>-</p> <p>Not known</p> <p>-</p>

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Quality Control (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
				<p><b><u>Quality Control Auditing:</u></b></p> <ul style="list-style-type: none"> <li>• Government policy decision</li> <li>• Appointment of consultant</li> <li>• Developing Methodology</li> <li>• Formation of Technical Audit Team</li> <li>• Training of Personnel</li> <li>• Office support, Equipment and Establishment</li> <li>• Test Auditing and seminar on findings</li> <li>• Review of methodology and finalization</li> <li>• Technical auditing regularly at every 2 years</li> </ul>	<p>December, 2009</p> <p>March, 2010</p> <p>September, 2010</p> <p>October, 2010</p> <p>January, 2011</p> <p>June, 2011</p> <p>December, 2011</p> <p>March, 2012</p> <p>July, 2012 (Start)</p>	<p>-</p> <p>-</p> <p>BDT 1.20 million</p> <p>-</p> <p>BDT 0.50 million</p> <p>BDT 5.00 million</p> <p>BDT 1.00 million</p> <p>BDT 0.10 million</p> <p>-</p>

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Engineering Design, Cost of Contracts (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
GOB-funded schemes are designed with the same standard and codes as the schemes funded by development partners but the information and survey data collection and their representation from the field level may put quality of design at risk.	Strengthen HQ design capability for monitoring quality of designs; introduce ICT systems to support AutoCAD in selected 10 districts.	SE, Design, LGED	-	Establish ICT systems to support, AutoCAD in selected 10 districts and procurement of Hardware and Software along with Training	June, 2010	BDT 5.50 million
LGED's practices for estimating cost and price adjustment can put quality at risk.	Encourage department heads to approve invoking price adjustment clause for contracts of over one year duration, as allowed by PPR-2008 in "exception cases" for contracts that don't exceed 18 months.	CE, LGED	-	As and when appeared appropriate	-	-

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Maintenance and Asset Management (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
Collection of data and monitoring by Executive Engineer at district level and Superintending Engineer at Regional level does not always ensure the accuracy of program outputs for optimum use of available resources. Also, M&E Unit and RIMMU do not ensure proper coordination.	Fully implement comprehensive framework of policy, process and resources for system based road maintenance planning and management, with support from TA project recommended in ISAP.	RIMMU, GIS, M&E.	-	• Policy decisions for full implementation of system based road maintenance planning and management.	July, 2010	-
				• Prioritization of core road network (CRN) of LGED in all districts.	July, 2011	BDT 7.00 million
				• Procurement of survey equipment and imparting training to respective Engineers of LGED, Survey data collection and input in the LGED's maintenance software (RSDMS) including Local Reference Point (LRP).	July, 2012	BDT 150.00 million
				• Maintenance software upgradation for multiyear forward programming and establishing dynamic linkage of Road Database with GIS maps through customized computer software.	July, 2012	BDT 5.00 million
				• Performance based contracting for maintaining CRN (piloting) of LGED and traditional output based contracting for other roads.	July, 2014	BDT 100.00 million
				• Establishment of effective monitoring system, ensuring parallel information collection through non-formal channel.	July, 2014	BDT 50.00 million

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Road Safety (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
<p>The safety risks identified by LGED on rural roads are mainly related to: safety engineering, traffic signs, enforcement, road users' education and behavior, and road environment.</p>	<p>LGED efforts to prepare guidelines on TSA, and training manuals, should be expanded to establish coordination between various road safety committees, and to provide training as appropriate to RRSU and district staff.</p>	<p>Addl. CE, Maintenance &amp; Road Safety SE (Maintenance) Relevant Project Directors XEN (Road Safety)</p>	<p>RHD, BRTA, ARI, LGIs</p>	<p>Developing Training Manuals and Training of Staff of CRSU and RRSU</p>	<p>December, 2009</p>	<p>BDT 3.00 million</p>
				<p>Training of remaining key personnel of LGED (XENs, AEs, SAEs)</p>	<p>July, 2013</p>	<p>BDT 50.00 million</p>
				<p>Replication of results of the Pilot</p>	<p>July, 2010 onwards</p>	<p>BDT 50.00 million</p>
				<p>Undertaking Road Safety Schemes</p>	<p>July, 2010 onwards</p>	<p>BDT 300.00 million</p>

Implementation of this plan is contingent upon availability of requisite resources.



## Implementation Plan, Land Use and Resettlement (Type 2)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
Deliberate escalation of resettlement costs by using/misinterpreting ambiguities in the acquisition ordinance and producing fraudulent assessments, which undermines integrity and effectiveness of the resettlement program.	<p>To minimize fraudulent assessment:</p> <ul style="list-style-type: none"> <li>• During Joint Verification (JV), assign higher level staff, and ensure accountability.</li> <li>• In addition to acquisition official's records, LGED staff participating in JV prepares separate records of affected lands and other assets, by using the same formats used by the acquisition officials.</li> <li>• Further to random spot-checks during JV, the XEN compares the records prepared by the acquisition official and the LGED staff. He/she undertakes spot-checks of random samples of those cases which (i) do not or minimally differ; and (ii) differ substantially.</li> <li>• Project Director/Managers may verify the assessments prepared by both LGED staff and acquisition officials, depending on the amount of compensation funds requested by DCs, which have been reviewed and approved by LGED local office.</li> </ul>	<p>Sr. AE (LGED) at the district level.</p> <p>A group comprising officials of one Sr. Assistant Engineer (LGED) and Representatives of the consultants (if any)</p> <p>XEN (or a Sr. Official assigned by XEN, but not the one participated in JV)</p> <p>Project Manager, PMU (assigned by Project Director)</p>	LGD, District & Disional Committees, other JV partners	<ul style="list-style-type: none"> <li>• Assignment of official</li> <li>• Issuance of instructions</li> <li>• Preparation of records</li> <li>• Making spot checks at random</li> </ul> <p>Verification of assessments</p>	<p>Next project with land acquisition</p> <p>Next project with land acquisition</p> <p>Next project with land acquisition</p>	- - - -
Persistent delays in land acquisition and RAP implementation give rise to the risks of non-compliance with social safeguard policy and delays in civil works implementation.	Schedule the civil works taking into consideration the time required to complete the land acquisition and RAP implementation process.	PDs, XENs, AEs, District Sociologist, Consultants	LGD	Scheduling the civil works	Next project with land acquisition	-

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
	The most appropriate overall remedy is to adopt a 'National Resettlement Policy (NRP)' with amendments to the present land acquisition ordinance that will satisfy the requirements of OP 4.12. Land Ministry is preparing such a policy with the support of ADB.	Addl. CE (respective line division), PDs	RHD, BWDB, BBA and other GOB agencies that need land acquisition	<ul style="list-style-type: none"> <li>• Govt. approval of NRP</li> <li>• Adopting the NRP</li> </ul>	Next project with land acquisition	-
	LGED should seek authority from LGD to purchase lands directly from the private owners, on willing buyer-seller basis; propose ways and means to ensure full transparency of these purchases.	CE, PDs	LGD and Land Ministry	LGED to seek authority from LGD to purchase lands directly from the private owners.	December, 2009	-

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
<p>Ambiguities in Acquisition Ordinance</p>	<p>LGED should seek Land Ministry's clarifications on the following provisions that are misinterpreted by the acquisition officials:</p> <ul style="list-style-type: none"> <li>• Why compensate for entire house/structure where a small portion is affected, and the rest is still structurally perfectly safe and usable?</li> <li>• Why pay for the costs of equipments in a partially or fully acquired structure, even though they are not affected and can be dismantled and moved intact?</li> <li>• Where only a narrow slice of a pond is acquired, why pay for the land, digging cost and fish stock of the entire pond?</li> </ul> <p>Under what conditions the assessed compensation should be increased by 50%, as provided in the law? What is the basis for a 50% increase in the compensation for house, machinery and pond, which seems unrealistic?</p>	<p>Addl. CE (respective line division), PD (respective project)</p>	<p>LGED &amp; Land Ministry</p>	<p>LGED to follow up on clarification request sent earlier for a formal response from the Land Ministry</p>	<p>December, 2009</p>	<p>-</p>

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
<p>Not enough capacity to deal with resettlement issues and manage information.</p>	<ul style="list-style-type: none"> <li>• Appoint qualified social scientists and form a core group with intensive training in social issues, including resettlement, that are addressed in development partner-supported projects. Based on the volume of land acquisition and resettlement, distribute them in the project districts, with a minimum of two in each.</li> </ul> <p>Train the XENs and other technical staff who are likely to be involved in JV. Give them a thorough understanding of the resettlement policies, measures and application guidelines adopted.</p> <ul style="list-style-type: none"> <li>• Develop an information management system in view of the adverse impacts that are to be mitigated according to adopted guidelines and the progress made at any point in time. The system should be able to track irregularities and explain them.</li> </ul>	<p>CE, SE (Training), PDs</p>	<p>MOE, LGD</p>	<ul style="list-style-type: none"> <li>• Starting process for appointment of qualified social staff.</li> <li>• Appointment of Social Scientist of required number and engage them in the project districts depending on the workload of a particular district.</li> <li>• Starting training program on resettlement issues for the concerned XENs and other staff of LGED including Community Organizers.</li> <li>• Developing Information Management System</li> </ul>	<p>July, 2009 onwards</p> <p>December, 2010</p> <p>2011</p>	

## Implementation Plan, Financial Management (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES	
Internal controls don't always ensure properly record transactions, nor properly account for and control assets, nor focus on the highest priority projects.	Communicate to staff the importance of internal controls and the intention to increase emphasis on good financial management systems and procedures. Further, require that all projects in LGED use the standard Financial Accounts Manual and Project Accounting Manual.	Addl. CE (Admin & Finance) SE (Admin.) SE (Training) XEN (Audit)	MOE, LGD, MOF, CGAD, C&AG	• Preparation of guidelines of internal control and distribution of the guideline at districts and projects offices.	June, 2011	BDT 2.00 million	
	Strengthen compliance systems in areas such as segregation of duties, change payment procedures, and use of pre-numbered and controlled cash receipts books.				• Review and revision of charter of duties.	June, 2011	-
					• Introduction of pre-numbered cash-receipt books.	December, 2010	-
There is a proliferation of development partner driven systems to manage and account for the various projects being implemented by LGED. This could be avoided if LGED had a uniform project accounting system.	Complete the review of the technical specifications of the UFMS to ensure that it meets minimum technical requirements, and use this system or its replacement for all revenue and development projects.	Addl. CE (Admin & Finance) SE (Admin.) SE (Training)	LGD, MOF	• Reviewing of the technical specifications of UFMS and arranging workshops.	June, 2011	BDT 3.00 million	
	Roll the final system out to all projects at both the HQ and district levels, according to 5 year timetable proposed by ISAP				• Customization of UFMS with all revenue and development projects.	June, 2012	BDT 4.00 million
					• Rolling out of UFMS to all projects and district level.	June, 2015	BDT 50.00 million

Implementation of this plan is contingent upon availability of requisite resources.

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
More than 95% of project funds are disbursed at the district or upazila levels where the capacity of the accounting staff is the lowest.	Increase training of staff based on individual training needs assessments, and raise technical qualifications for all new staff.  Strengthen compliance system as mentioned earlier.	Addl. CE (Admin & Finance) SE (Admin.) SE (Training)	LGD, MOF, CGAD, C&AG	<ul style="list-style-type: none"> <li>Review and revision of annual training programs.</li> <li>Conducting training courses on Financial Management.</li> <li>Review of the minimum qualifications of accounts staff for new recruitment.</li> </ul>	June, 2010  July, 2010 Onward  July, 2013	-  BDT 20.00 million  -
Control and accountability of contracts and agency fixed assets would improve with a contract register and fixed assets register.	Registers should be established and maintained to control contracts, fixed assets, and commercial bank accounts to increase the level of control by senior management.  Registers should be included in the UFMS or its successor.	SE (Admin.)	LGD, MOF, CGAD	<ul style="list-style-type: none"> <li>Updating of existing registers (contract registers, fixed assets register and commercial bank accounts register) and making it operational.</li> <li>Inclusion of registers in the UFMS or its successor.</li> </ul>	December, 2010  June, 2015	-  -
Deviations in the procurement procedures for supplies and small purchases could be reduced if petty cash funds were used.	Review the complex procedures required to establish and use petty cash funds, and encourage the use of these funds.	SE (Admin.)	LGD, MOF, CGAD	Review the petty cash funds procedures and encourage the use of petty cash funds.	June, 2011	-

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Financial Management (Type 2)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
The internal audit unit concentrates the majority of its work at the transaction level rather than reviewing control systems and procedures.	Place qualified accountants as the Head of Financial Management, and as the Head of Internal Audit. Adjust annual work programs to provide more emphasis on strengthening the control environment rather than mainly verifying the accuracy of payments.	Addl. CE (Admin & Finance) SE (Admin) XEN (Audit)	PSC, MOE, LGD, MOF, C&AG	<ul style="list-style-type: none"> <li>Preparation of revised organogram</li> <li>Post creation and recruitment.</li> <li>Modification and updating of annual work programs of internal audit.</li> </ul>	December, 2010 June, 2013 June, 2011	- - -
Accounting staff in LGED lack sufficient qualifications to properly manage internal controls.	Establish a central accounting and finance unit, staffed with qualified accountants.	SE (Admin)	PSC, MOE, LGD, MOF, C&AG	<ul style="list-style-type: none"> <li>Preparation of revised organogram</li> <li>Post creation and recruitment.</li> </ul>	December, 2010 June, 2013	- -
The lack of development partner and GOB harmonization in the management of the various projects makes it difficult to evaluate results of the projects and to control performance.	Government and management of LGED should establish effective accounting and management information systems and with these systems promote greater use of these systems by development partners in order to promote more effective development partner harmonization.	Addl. CE (Admin & Finance) Addl. CE (Planning & Design)	GOB, Development partners	Establishment of effective accounting and Management Information Systems.	June, 2015	Not known

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Procurement (Type 1)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
LGED has experience in PRMF but the reporting, follow up and review of the PRMF hasn't yet been fully realized.	Apply PROMIS to every project; negotiate specific actions for every project, evaluate progress quarterly and assess progress yearly  PMU enters into similar agreements with key districts  Give responsibility and control of the PROMIS to PMU	PMU of LGED	CPTU, Local Government Institutions	Installation of software  To cover the key districts  PMU to take the responsibility of PROMIS, and to issue biannual reports	June, 2010  July, 2013  July, 2014	Every year an amount of BDT 4.75 million will be required to maintain the system.  BDT 5.00 million  BDT 10.00 million
Given the large number of contracts procured by LGED and the de-centralized nature of the procurement implementation, the lack of an integrated information system is a risk.	Full implementation of the procurement management information system being introduced by the PMU; as part of this, look at implementing an e-procurement and tendering system which will facilitate a centralized database of all contracts, encourage more small and medium contractors to bid for projects and improve overall transparency and accountability in LGED works.	PMU of LGED	CPTU	Installation of software	July, 2013 onwards	-
Information on contract management is limited to physical and financial percentages	Closer supervision should be adopted by HQs of contract management for all complex contracts; delegate authority to Regional SE's to monitor complex contracts	PMU & PM&E of LGED HQ	MOE, PSC, MOF	Delegation of authority	December, 2009	-

Implementation of this plan is contingent upon availability of requisite resources.

Small contractors use the post qualifications and credentials of larger contractors, thus	Carry out a study demonstrating the performance under different set of rules	Central Procurement Unit, RTIP	MOF, CPTU	Conducting Study	July, 2010	US\$10,000- -
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<b>FINDING AND RISKS</b>	<b>RISK MITIGATION MEASURES</b>	<b>WHO IN LGED RESPONSIBLE</b>	<b>OTHER AGENCIES</b>	<b>MILESTONES</b>	<b>DATES</b>	<b>REQUIRED RESOURCES</b>
misrepresenting their own capabilities and risking delays and low quality work.	Adopt a system that would establish the post qualification criteria on the basis of the review of the performance of the contractors of the last 18 months. This system may include regional or district differences when properly justified and approved by the PMU and the higher management. The system to be adjusted periodically after careful analysis of the performance data collected by the procurement unit			Adoption of Systems on the basis of study results  ADB PMU becomes an LGED unit, financed from the Revenue Budget	December, 2010 onwards	-
Advertisement of procurement opportunities may not be targeting the right segment of the market at the district level	Define a strategy for more systematically advertising tender opportunities. Among the options considered could be selecting newspapers for advertisement of the procurement opportunities in Bangla language on the basis of high circulation and posting the procurement notices to all notice boards and LGED websites.	PMU, all PE	MOF, CPTU	Issuance of Instruction	December, 2009	-
Small contractors may rely on LGED staff to provide necessary training on bid preparation;	Expand training for small contractors in bid preparation, and encourage them to seek assistance from independent specialists	PMU, Training Unit		Training of small contractors	December, 2009 and onwards	BDT 8.00 million

Implementation of this plan is contingent upon availability of requisite resources.

## Implementation Plan, Procurement (Type 2)

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
LGED has experience in using its Procurement Risk Mitigation Framework (PRMF) but the reporting, follow up and review of the PRMF has not yet been fully realized.	PMU enters into agreements on PROMIS with districts committed to following proper procurement practices	PMU	District authorities	Make agreements between PMU and district offices	July, 2010	-
Allowing multiple dropping of bids presents risk of manipulation of bids after reception during the delivery of the sealed bids to the opening office.	Although single dropping should be the preferred option for government procurement, LGED to retain multiple places for dropping tenders under the following controlled conditions: LGED would urge civil authorities to take care of providing security at LGED facilities and proximities, and to prosecute offenders that are caught.	PMU	District authorities, police	Issuance of Instructions highlighting maintaining of controlled conditions	December, 2009	-
Supervision of procurement processing and ex-post reviews by XENs isn't strong enough to ensure quality and cost-effectiveness.	<p>Adopt a combination of ex-post and ex- ante reviews focusing on the former in the short term, and the latter in the long term; responsibility will be delegated to regional SE's. (Progress indicator: Instructions on Ex ante and ex post reviews issued by CE)</p> <p>Perform at least five IPRs annually on a project basis</p> <p>Perform IPRs in at least 3 – 5 district units every year</p>	PMU	CPTU	<p>Delegation of authority</p> <p>Performing of IPRs on project basis.</p> <p>Performing of 3-5 IPRs per year</p>	<p>December, 2009</p> <p>July, 2010</p> <p>July, 2012</p>	<p>-</p> <p>US\$20,000-</p> <p>-US\$10,000-</p> <p>-</p>

FINDING AND RISKS	RISK MITIGATION MEASURES	WHO IN LGED RESPONSIBLE	OTHER AGENCIES	MILESTONES	DATES	REQUIRED RESOURCES
Bidding documents issued only in English may induce small local contractors to seek external support or larger contractors to convey their proposals increasing the risk of collusion	Publish the bidding documents in the Bangla language. Although many technical terms are not available in the national language, these may be retained in English. LGED should coordinate with CPTU the issuance of such documents	PMU	CPTU	LGED to coordinate with CPTU.	As and when required.	-
Complaint resolution mechanism: the resolution of disputes and complaints at LGED could be improved. The CPTU mechanism does not appear to draw the confidence of smaller contractors. At the project level (RTIP is an example) there are complaint boxes available for bidders to deposit their complaints safely. Moreover, bidders are advised about the mechanisms for filing complaints but there is not enough confidence in the system available to ensure transparency and accountability	The complaints resolution mechanism should be further developed to serve smaller contractors A tracking system needs to be developed. The Procurement Unit should be responsible for finding ways of attracting the confidence of the smaller contractors in an environment that is not conducive of transparency or provide adequate reassurance to the bidders; organize regional workshop to inform bidders regarding the complaint mechanisms.	PMU	CPTU	Organizing workshops in the regions.  Tracking system developed  Tracking system rolled out	December, 2009  June 2010  December 2010	BDT 5.00 million

Implementation of this plan is contingent upon availability of requisite resources.