



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
IBADAN URBAN FLOOD MANAGEMENT PROJECT
APPROVED ON JUNE 17, 2014
TO
FEDERAL REPUBLIC OF NIGERIA

URBAN, RESILIENCE AND LAND

WESTERN AND CENTRAL AFRICA

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ABBREVIATIONS AND ACRONYMS

ARAP	Abbreviated Resettlement Action Plan	IFRs	Interim Financial Reports
CBO	Community Based Organization	IGR	Internally Generated Revenue
CDA	Community Development Association	IIFRMM	Ibadan’s Integrated Flood Risk Management Masterplan
CDC	Community Development Committee	IAG	Independent Advisory Group
CDS	Cross Drainage System	IITA	International Institute for Tropical Agriculture
CERT	Community Emergency Response Team	ISA	International Standards on Auditing
CPS	Country Partnership Strategy	ISP	Implementation Support Plan
CSDO	Community Social Development Project	ISRP	Implementation Status Results and Report
DA	Designated Account	IUFMP	Ibadan Urban Flood Management Project
DRM	Disaster Risk Management	LEMC	Local Emergency Management Committees
DRR	Disaster Risk Reduction	LGAs	Local Government Areas
DSR	Dam Safety Report	LPAs	Local Planning Authorities
EPP	Emergency Preparedness Plan	LUAC	Land Use Allocation Committee
ESIA	Environment and Social Impact Assessment	MDAs	Ministries, Department and Agencies
ESMF	Environmental and Social Management Framework	MIC	Middle Income Country
ESMP	Environmental and Social Management Plan	ML	Management Letter
ESS	Environment Screening Sheet	MoU	Memorandum of Understanding
PME	Federal Ministry of Environment	MPP&UD	Ministry of Physical Planning and Urban Development
FMWR	Federal Ministry of Water Resources	NCB	National Competitive Bidding
FPM	Financial Procedures Manual	NDMF	National Disaster Management Framework
GDP	Gross Domestic Product	NEMA	National Emergency Management Agency
GFDRR	Global Facility for Disaster Reduction and Recovery	NGOs	Non-Governmental Organizations
GIS	Geographic Information System	NIHSA	Nigeria Hydrological Services Agency
GRM	Grievance Resolution Mechanism	NIMET	Nigeria Meteorological Agency
HFA	Hyogo Framework for Action	NSBD	National Standard Bidding Document
ICB	International Competitive Bidding	OORBA	Ogun Oshun River Basin Authority
ICT	Information and Communication Technology	OYSEMA	Oyo State Emergency Management Agency



OSEMEPB	Oyo State Ministry of Economic Planning and Budgeting	PMC	Project Management Consultancy
OSEMF	Oyo State Ministry of Finance	PPA	Project Preparation Advance
OSEMLH	Oyo State Ministry of Land and Housing	PPIAF	Public Private Infrastructure Advisory Facility
OSEPA	Oyo State Environment Protection Agency	PRAMS	Project Risk Assessment and Management System
OSMEH	Oyo State Ministry of Environment and Habitat	PRMS	Portfolio and Risk Management System
OSMWR	Oyo State Ministry of Water Resources	PSC	Project Steering Committee
OSMW	Oyo State Ministry of Works	PTC	Project Technical Committee
OSSWMA	Oyo State Solid Waste Management Authority	RAP	Resettlement Action Plan
OYOWMA	Oyo Waste Management Authority	RPF	Resettlement Policy Framework
PC	Performance Contract	SA	Subsidiary Agreement
PCN	Project Concept Note	SAI	Supreme Audit Institution
PFMU	Project Financial Management Unit	SBD	Standard Bidding Document
PIM	Project Implementation Manual	SWM	Solid Waste Management
PIU	Project Implementation Unit		



BASIC DATA

Product Information

Project ID P130840	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 17-Jun-2014	Current Closing Date 31-Dec-2023

Organizations

Borrower Federal Republic of Nigeria	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The project development objective is to improve the capacity of Oyo State to effectively manage flood risk in the city of Ibadan.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-55100	17-Jun-2014	07-Nov-2014	23-Feb-2015	31-Dec-2023	200.00	84.64	91.97

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Background

1. The need for the Ibadan Urban Flood Management Project was triggered by a major flood experienced in August 2011 which caused significant loss of life and property in Ibadan City. Settlements located in unstable and risky locations such as along the Ogunpa, Kudeti, Ogbere and Orogun floodplains and the hillsides of Oke-Are, Oke-Aremo, Sapati and Mokola were seriously affected with over 120 fatalities reported. Ibadan's setting is characterized by rugged terrain with wide valley plains. The city is drained by three river systems flowing North-to-South, namely the Ona River (Western), Ogunpa River (Central) and Ogbere River (Eastern). These rivers are the main drainage channels that cause flooding when not properly regulated. Before IUFMP, responses to flooding events have been piecemeal, mainly focusing on alleviating immediate and short-term needs, such as rebuilding destroyed assets.

2. The Project Development Objective is to "improve the capacity of Oyo State to effectively manage flood risk in the city of Ibadan". The project components are: Component-1: Flood Risk Identification, Prevention and Preparedness Measures (Total Costs US\$43.0 million) with Sub-Component-1.1: Ibadan's Flood Risk Management Investment Program (Total US\$22.0 million), Sub-Component-1.2: Ibadan's Long-Term Flood Resilience Strategy (Total US\$1.0 million), Sub-Component-1.3: Ibadan's Flood Early Warning and Response System: (US\$7.0 million) and Sub-Component-1.4: Contingency Component (US\$13.0 million); Component-2: Flood Risk Reduction - (US\$149.0 million) with Sub-Component-2.1: Priority Infrastructure Improvement Program in "Priority Sites" (US\$20.9 million), Sub-Component-2.2: Long-term Integrated Flood Risk Mitigation Measures (US\$128.1 million); Component-3: Project Administration and Management Support (US\$28.0 million) with Sub-component-3.1: Project Administration (US\$24.0 million) and Sub-component-3.2: Project Management Support (US\$4.0 million equivalent).

B. Project Status

3. The project has completed a number of planned interventions. Under Component 1, the project formulated flood risk management, drainage, and physical (city) masterplans. Feasibility studies and detailed design for all planned physical investment have been completed. Supervision of civil work is being provided with quality expertise. A flood Early Warning System has been designed and is under installation. The Flood Resilience Strategy is being prepared based on above-mentioned masterplans, and a pending Solid Waste Masterplan is being finalized. Under Component 2, the improvement of critical infrastructure, such as river channels, culverts, bridges and associated approach roads, at seventeen priority sites as well as the safety rehabilitation of Eleyele dam, have been completed successfully. In addition, 34 km of natural river channels and streams have been dredged.

4. The long-term investments for flood risk management have experienced delays due to: (i) the time needed to complete the master plans and fill critical data/information for flood risk assessment, and (ii) the lengthy preparation of safeguards instruments to address complex issues in urbanized areas compounded by COVID-19 restrictions (including outbreaks in the PIU, contractors' and supervising consultant's staff). However, some progress has been noted in the implementation of Lot 1 and Lot 2 of the First Pool of Long-Term Investment (PLTI1). All critical instruments (safeguards, contract management, resources) to facilitate timely implementation of activities under PLTI1 have been implemented and complied with. To ensure delivery of PLTI1 on time, the scope of Lot 1 and Lot 2 contracts was revised, and 13 culverts were contracted to 4 new contractors - Lot 1a, Lot 1b, Lot 1c and Lot 2a. The four new contractors were mobilized, and work has commenced.

5. With regards to the Second Pool of Long-Term Investment (PLTI2), contracts have been awarded and progress has been noted toward finalization of 4 safeguards instruments. The next step is to disclose the instruments and discuss them with the selected contractors of Lot 3a, Lot 3b, Lot 4a, and Lot 4b. The state government has transferred counterpart funds to cover safeguards implementation costs for PLTI2 to the project account.



6. Furthermore, there is a renewed commitment from the state to ensure effective and efficient implementation of the project activities. A new Project Coordinator was appointed to lead the project implementation. Action of the PIU to deliver the project efficiently. The PIU capacity has been enhanced with staff replaced in 2022 in the following functions: Environmental Specialist, GIS Specialist, Infrastructure Engineer and Hydraulic Engineer, Contract Management Specialist, Hydraulic Engineer and Quantity Surveyor.

7. The overall performance of the procurement system regarding internal controls, record-keeping and implementation of the project complies the requirements except for cases of slippages in some critical activities that are being addressed. The procurement risk is rated moderate, and the procurement performance is rated Moderately Satisfactory. Procurement transactions have been processed in STEP with timely updates. The State Government has complied with all covenants specified in the Financing Agreement. Furthermore, the state Government has resolved most of the shortcomings in the adherence to the safeguards requirements, therefore, the overall Environmental and Social risk rating of the Project remains Substantial, and the performance is rated Moderately Satisfactory.

8. The State Government has strengthened the oversight of the project through a functioning Project Steering Committee (PSC) and ensuring regular meetings of PSC leading to coordinated and continuous inputs of the Ministries, Departments and agencies (MDAs) participating in the project. The PSC is holding regular meetings to review project progress, monitor attainment to all agreed actions and supervise the performance of the PIU, Contractors and Consultants.

9. The project was designed to not only to support flood risk management infrastructure, but progress has been also noted towards building institutional capacities to manage flood risk and prepare against future natural rainfall disasters. The institutional activities will ensure sustainability and ownership of project activities after the end of the project. Thus, the project has focused on: (i) finalizing a flood resilience strategy that brings together information and vision of Ibadan City Master Plan and Flood Risk Management and Drainage Master Plan; (ii) developing of flood asset management plan with details financial needs for the operations and maintenance of flood control assets, (iii) defining a flood risk management capacity investment program to coordinate financing from different financiers; (iv) designing and establishing a flood forecasting and early warning system to strengthen resilience of the community, and (v) establishing flood risk management coordination mechanism.

10. The overall project risk rating remains Substantial. The risk assessment conducted at appraisal is still relevant. Some of the risk identified at appraisal have materialized and contributed to delays in project activities implementation. The project team has been applying the mitigation measures such as close oversight to ensure project activities are prepared and implemented timely and to ensure compliance with the World Bank policies and procedures.

C. Rationale for Restructuring

11. The restructuring of IUFMP is required to (a) revise the closing date of the project from June 30, 2022 to December 31, 2023 to: (a) allow completion of delayed activities under PLTI1 and PLTI2; (b) reallocate resources from the subcomponent 1.4 Contingency Component (US\$13.0 million equivalent) to cover the exchange losses in component 2, and (c) revise the result framework to reflect correct numbers on indicators that were underestimated or missed at appraisal.

12. The project started off with developing the master plan to guide the investments financed by the project. The preparation of the master plan took longer than expected thereby affecting the start off investment design and implementation. Furthermore, effectiveness of the project took over a year to materialized thereby contributing to delaying the project activities. Even after the project became affective, disbursement has been very slow.

13. PLTI1 completion was disrupted by contractor mobilization delays exacerbated by COVID-19 travel and shipment restrictions. The start of PLTI2 activities was furthermore held up by delays in the fulfilling the required safeguards instruments. PLTI1 and PLTI2 can no more be completed in the remaining project period. Lot 3a needs 15 months, I-Lot 3b and 4a need 12



months and Lot 4b needs 14 months to be fully implemented. Therefore, considering preliminary activities before the commencement of works, like mobilization, safeguards implementation and resourcing, the CMU agreed on a 18-month extension of the project shifting the project closing date from June 30, 2022 to 31 December 2023.

14. In early June 2022 a Bank supervision mission agreed with the State on an aggressive action plan with corresponding sanctions to ensure acceleration and full delivery of the project during the 18-months extension period. The new action plan was agreed to troubleshoot PLTI1 and PLTI2 contract blockages, improve project performance, and establish enforceable milestones. The State has begun implementing the action plan commitments, (see details in Annex 1) and has been abiding to the imposed timelines. The actions and milestones are understood as strict, with potential cancellation of Lots and their associated funding, if not complied with.

15. Since the inception of the project there has been an exchange loss of US\$17.4 million. The loss has an impact on the activities that can be delivered by the project. Since subcomponent 1.4 – Contingency Component with an allocation of US\$13 million has not been utilized, the proposed change is to cancel the component and allocate the amount to component 2 to fill the loss that has been incurred in the project. Therefore, the loss to the remaining components will be US\$4.4 million which will not have significant impact on activity implementation.

16. Changes to results framework are necessary to reflect the precise numbers, details and description of indicators that were not fully detailed at appraisal as there was no inadequate information at that time.

II. DESCRIPTION OF PROPOSED CHANGES

17. The proposed changes are to (a) revise the closing date of the project from June 30, 2022 to December 31, 2023 to allow compression of delayed activities under the PLTI2; (b) reallocate resources from the subcomponent 1.4 Contingency Component (US\$13.0 million equivalent) to cover to the exchange losses in component 2, and (c) revise the result framework to reflect correct number on indicators that were underestimated or missed at appraisal.

18. Changes to results framework are necessary to reflect the precise number, details and description of indicators that were now fully detailed at appraisal.

19. The changes to the project indicators and reallocation between categories and component are detailed in table 1 and 2 below:



Table 1: Summary of change to the project results indicators

Indicators	Changes	Rationale
PDO Indicators		
Number of beneficiaries benefiting from rehabilitation or construction of infrastructure (number)	Target increased from 36,600 to 385,000 (Female from 18,000 190,000)	Additional infrastructure sites were identified through flood risk management study and drainage masterplan. Target is estimated based on good practice and hydrological and hydraulic analysis conducted through the project while initial target was based on available information at that time.
Land Area Protected from a 25-year return period flood event (ha)	Target increased from 3,500 to 30,000	Additional infrastructure sites were identified through study for flood risk management and drainage masterplan. Target is estimated based on good practice and hydrological and hydraulic analysis conducted through the project while initial target was based on available information at that time.
Intermediate Results Indicators		
Component 1: Flood Risk Identification, Prevention and Preparedness		
Number of beneficiaries benefiting from capacity development activities (number)	New indicator: Target = 205 (new)	New indicator to monitor capacity development through the project. Number of MDAs staff trained under the IUFMP will be measured.
Component 2: Flood Risk Reduction		
Population protected by restoring the safety of Eleyele Dam (number)	Target increased from 5,065 to 8,000	Target is estimated based on hydraulic flood simulations and dam break analysis conducted through the project while initial target was based on available information at that time.
Flood risk management infrastructures completed to improve resilience in Ibadan (number)	Indicator revised from "flood-prone sites made flood resilient in Ibadan" Target increased from 14 to 60	Definition is revised because, through long term investments identified by flood risk management and drainage masterplan, resilience will be enhanced at basin scale, not flood prone site basis. Additional infrastructures were identified through flood risk management study and drainage masterplan.
Number of community members benefiting from community engagement activities (number)	New indicator: Target = 3,300 (new)	New indicator to monitor community engagement through the project. Number of community members participating in community engagement activities through the project will be measured.
Length of dredged river/drainage channel (km)	New indicator: Target = 505 (new)	New indicator to monitor dredging of river/drainage channels to reduce flood risk of surrounding communities. Length of dredged river/channel will be measured.
Length of approach roads constructed to link flood risk management infrastructure (km)	New indicator: Target = 35 (new)	New indicator to assess approach roads constructed to link flood risk management infrastructure. Length of approach roads constructed will be measured.



Length of channelization of river channel (km)	New indicator: Target = 35 (new)	New indicator to assess channelization of river channel for flood risk reduction. Length of channelization of river channel completed will be measured.
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Table 2: Reallocation Between Disbursement Categories

Category	Current Allocation (expressed in SDR)	Actuals Committed (SDR)	Proposed Allocation (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, training, non-consulting services and consultants services for Parts 1.1, 1.2, 1.3(c), 2.1, 2.2, 3.1 (a) and 3.2 of the project under Part 1(a)(i) of the Project	114,300,000.00	98,809,503.31	125,534,000.00	100%
(2) Refund for Preparation Advance	3,100,000.00	236,818.46	266,000.00	100%
(3) Emergency Expenditures under Part 1.4 of the Project	8,400,000.00	0	0	
(5) Goods, Training, non-consulting services, consultants' services for Part 1.3(a) and 1.3(b) of the Project	3,300,000.00	1,472,649.35	3,300,000.00	100%
TOTAL AMOUNT	129,100,000.00	100,518,971.12	129,100,000.00	

Table 3: Reallocation Between Project Components

COMPONENTS				
Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component 1: Flood Risk Identification, Prevention and Preparedness	43.00	Revised	Component 1: Flood Risk Identification, Prevention and Preparedness	30.00
Component 2: Flood Risk Reduction	149.00	Revised	Component 2: Flood Risk Reduction	160.00
Component 3: Project Administration and Management	8.00	Revised	Component 3: Project Administration and Management	10.00
TOTAL	200.00			200.00



III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Reallocation between Disbursement Categories	✓	
Implementation Schedule	✓	
Technical Analysis	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Cancellations Proposed		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Social Analysis		✓
Environmental Analysis		✓



IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component 1: Flood Risk Identification, Prevention and Preparedness	43.00	Revised	Component 1: Flood Risk Identification, Prevention and Preparedness	30.00
Component 2: Flood Risk Reduction	149.00	Revised	Component 2: Flood Risk Reduction	160.00
Component 3: Project Administration and Management	8.00	Revised	Component 3: Project Administration and Management	10.00
TOTAL	200.00			200.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-55100	Effective	30-Jun-2022	31-Dec-2023	31-Dec-2023	30-Apr-2024

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-55100-001 Currency: XDR				
iLap Category Sequence No: 1	Current Expenditure Category: GdWkTrNCSCSP1.1-2,1.3c2.1-2,3.1a3.2			
114,300,000.00	53,512,492.65	125,534,000.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: PPF REFINANCING			



The World Bank

Ibadan Urban Flood Management Project (P130840)

	3,100,000.00	265,531.42	300,000.00		100
iLap Category Sequence No: 3		Current Expenditure Category: Emergency Expenditures Pt1.4			
	8,400,000.00	0.00	0.00	100.00	100.00
iLap Category Sequence No: 4		Current Expenditure Category: Gd,Tr,NCS,CS Pt 1.3a & b			
	3,300,000.00	761,550.36	3,266,000.00	100.00	100.00
Total	129,100,000.00	54,539,574.43	129,100,000.00		



Results framework

COUNTRY: Nigeria

Ibadan Urban Flood Management Project

Project Development Objectives(s)

The project development objective is to improve the capacity of Oyo State to effectively manage flood risk in the city of Ibadan.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets								End Target
			1	2	3	4	5	6	7	8	
Improve the capacity of Oyo State to effectively manage flood risk in the city of Ibadan											
Direct project beneficiaries (Number)		0.00	0.00	0.00	5,000.00	7,000.00	10,200.00	12,000.00	28,000.00	36,600.00	385,000.00
Action: This indicator has been Revised	<p>Rationale: <i>Additional infrastructure sites were identified through study for flood risk management and drainage masterplan. Target is estimated based on good practice and hydrological and hydraulic analysis conducted through the project while initial target was based on available information at that time.</i></p>										
Female beneficiaries (Percentage)		0.00									50.00
Action: This indicator has been Revised											
Land area protected from a 25 year return		0.00		200.00	500.00	1,000.00	1,500.00	2,000.00	2,500.00	3,500.00	30,000.00



Indicator Name	PBC	Baseline	Intermediate Targets								End Target	
			1	2	3	4	5	6	7	8		
period flood event (Hectare(Ha))												
Action: This indicator has been Revised	<p>Rationale: Additional infrastructure sites were identified through study for flood risk management and drainage masterplan. Target is estimated based on good practice and hydrological and hydraulic I analysis conducted through the project while initial target was based on available information at that time.</p>											
Improved institutional coordination on flood risk management in Ibadan (Text)		Not Satisfactory (No)										Satisfactory (Yes)
Effective use of flood control assets management plan (Text)		0.00			No	No	No	No	No	No	Yes	Yes

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets									End Target
			1	2	3	4	5	6	7	8	9	
Component 1: Flood Risk Identification, Prevention and Preparedness												
Adoption of flood control assets management plan for Ibadan (Text)		None	No	No	No	No	No	No	Yes	Yes		Yes



Indicator Name	PBC	Baseline	Intermediate Targets									End Target
			1	2	3	4	5	6	7	8	9	
Action: This indicator is New			Rationale: <i>New indicator to monitor dredging of river/drainage channels to reduce flood risk of surrounding communities. Length of dredged river/channel will be measured.</i>									
Length of approach roads constructed to link flood risk management infrastructure (Kilometers)		0.00										35.00
Action: This indicator is New			Rationale: <i>New indicator to assess approach roads constructed to link flood risk management infrastructure. Length of approach roads constructed will be measured</i>									
Length of channelization of river channel (Kilometers)		0.00										35.00
Action: This indicator is New			Rationale: <i>New indicator to assess channelization of river channel for flood risk reduction. Length of channelization of river channel completed will be measured</i>									



ANNEX 1: COMMITTED ACTION PLAN

1. **PLTI1 Lot 1 contractor.** The contract expired on April 9, 2022, and the State decided not to renew the contract.
Action Required: The remaining scope of work is to be divided into two Lots and the State Government is to reprocure through International Competitive Bidding (ICB). The procurement will follow a strict timeline as below, failing which Lot 1 will be cancelled from the project:
 - a. Bidding documents to be submitted for Bank clearance by June 13, 2022
 - b. Bid advertisement by June 18, 2022
 - c. Bid Opening and evaluation by August 2, 2022
 - d. State approval of BER and draft contract agreement by August 9, 2022
 - e. Bank NO on BER and draft contract agreement by August 19, 2022
 - f. Sign 12 months contract with new contractor(s) by September 9, 2022
 - g. Contractor mobilization by September 19, 2022
2. **PLTI1 Lot 2 contractor.** The contract expires on June 9, 2022, and a contract extension has been requested by the Contractor. The State Government has discussed the revised conditions to ensure delivery of the Lot, with the Contractor. The Contractor agreed to the new condition on June 3, 2022.
Actions Required: The State Government is to submit by June 17, 2022, the revised 12 months contract extension, to be signed by the contractor before June 24, 2022, contingent on subsequent project extension confirmation. If not achieved by this date, Lot 2 financing will be cancelled from the project.
3. **Contractors for works descoped from Lot 1 and Lot 2 (Descoped contractors).** Delays have been noted on the four descoped contractors. Mitigation measures were discussed and agreed with the Supervising Engineer, Contractors and the PIU.
Actions Required: The State Government is to submit the final mitigation actions signed by all parties by June 17, 2022 and contract extension to December 2022 to be signed by June 24, 2022, contingent on subsequent project extension confirmation, otherwise the associated financing for these works will be cancelled from the Project.
4. **Project Implementation Unit (PIU).** Improvements have been noted on the performance of the PIU, but weaknesses have been observed too. The PIU is to submit the signed code of conduct and work protocols of all staff and key performance indicators to be developed for all PIU units by June 17, 2022.
5. **Supervising Engineer.** Procedural and performance weaknesses were observed on the Supervising Engineer contract which is expiring June 30, 2022.
Actions Required:
 - a. The PIU should submit additional documentation to backup payments made to the Supervising Engineer by June 10, 2022.
 - b. The PIU is to submit a Strategic Procurement Plan for the Supervising Engineer by June 15, 2022.
 - c. The PIU is to submit a revised Supervising Engineer Terms of Reference that enhances the roles and presence of SE to deliver the project timely, by June 17, 2022.
6. **State Government.** Delays have been noted on the processing of requests and submissions from the PIU to State Government. The Project requires real commitment by the State Government to grant the PIU more autonomy to advance the project within the agreed framework of the Annual Work Plan.



7. **PLT12.** The State reached agreement with the selected contractors of Lot 3b, 4a and 4b on their demands to increase the contract pricing due to global inflation. The second successful bidder is retained for the Lot 3a contract after the first successful bidder rejected the price adjustment offer. The final safeguard instrument has been resubmitted to RSA for review and clearance. The following actions should be implemented, and any slippage will lead to the cancellation of the associated lot:
- a. ESIA for Ona Channelization was submitted to the WB Regional Safeguards Adviser, for review and clearance by June 20, 2022
 - b. The State Government is to sign an agreement with all contractors pending project extension by June 20, 2022.
 - c. Actual Contract to be signed by July 17, 2022 (by then the extension would have been processed) as long as there is sufficient funding in the project budget to accommodate all four lots in the second pool and No Objections of the World Bank issued.
 - d. Contractor mobilization by July 30, 2022.