Kingdom of the Netherlands

PARTNERS FOR WATER
CO-CREATING IMPACT



How to Break the BNR Cycle – The Road Map and Phased Action Plan

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Research | Technical Assistance | Project Management

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The question

Six structural constraints hold the cycle in place.

What has to change, who decides it, and by when?

Objectives of this presentation

This presentation responds to the following objectives:

01	**The changes required**	The six systemic constraints, and the six conditions for breaking the cycle.
02	**The pathway for change**	The route from the present system to prevention-based management, the actions available within existing authority, and the roles already driving reform.
03	**The roadmap and its owners**	Six action areas across three horizons, their institutional owners, and the actions for the first three months.
04	**The measures of success**	Seven indicators run from the 2025 baseline to the 2029 target.

What must change?

The six systemic constraints

Six structural drivers hold the BNR cycle, and all six have to move together.

The first presentation examined the systemic constraints. These are the barriers we need to address to break the BNR cycle

The six structural drivers of the BNR cycle

01	**Financing mechanism**	Allocation stood at 0.1 percent of GDP against the Delta Plan target of 0.5 percent, and nine tenths of it goes to emergency repair.
02	**Livelihood and hydro-agricultural conflict**	Sluice gates are operated out of step with the crop calendar, and embankments are cut to admit saline water for shrimp.
03	**Commercial and reconstruction market interests**	Reconstruction pays three to five times the margin of maintenance work. Routine maintenance is also settled more than twelve months late.
04	**River morphology, sedimentation and dredging**	Sediment load exceeds the capacity of episodic dredging, and contracts pay for excavation volume rather than channel depth.
05	**O&M requests lack data backing**	BWDB cannot account for the maintenance spend, so requests reach the Ministry of Finance without verified condition evidence.
06	**Inter-institutional coordination**	BWDB, LGED, DAE and BIWTA plan independently on the same assets, and no agency owns the cumulative outcome.

Reform of one constraint leaves the other five holding the cycle.

Figure 1 Structural drivers of the BNR cycle

The vision for change

Six conditions have to hold at the same time.

The vision is not a technical fix. It intends to make durability the most rewarded outcome for every actor.

The six systemic conditions/ leverage points

01 Financing
No new project approval without a committed, costed ten-year O&M plan embedded at approval stage.

02 Livelihood
Legally enforceable no-net-breach mechanisms, and sluice operation coordinated with agricultural calendars.

03 Market
Bundled, multi-year performance-based O&M contracts in place of fragmented reconstruction-biased packages.

04 River morphology
Integrated basin sediment management, with performance indicators replacing volume-based excavation targets.

05 Asset data
Verified asset-condition evidence behind every O&M budget submission, in place of narrative justification.

06 Coordination
A joint coastal mechanism giving BWDB, LGED, DAE and BIWTA one hydraulic planning framework.

Figure 2 Vision for change, six systemic conditions

How does the change happen?

The systemic pathway of change

Taken together the six instruments move the system from one state to another.

Current system

The BNR equilibrium

Structural drivers of the cycle

- **Narrative budgeting**
  O&M requests go unjustified without condition data.
- **CAPEX-driven careers**
  Promotion is tied to approvals, not to asset life.
- **Volume-based contracting**
  Reconstruction pays three to five times O&M.
- **Fragmented planning**
  Four agencies plan on the same assets separately.

Build, neglect, rebuild and repeat

Reform pathway

Six leverage points across four market systems

1. **Lifecycle financing at approval**
   Financing and asset management
2. **Enforceable sluice and breach protocol**
   O&M and construction
3. **Bundled performance contracts**
   Construction and O&M
4. **Basin-level sediment management**
   Asset management and O&M
5. **Shadow digital asset registry**
   O&M and financing
6. **Joint coastal coordination body**
   All four market systems

Reformed system

Prevention-based management

Reformed market incentives

- **Verified asset data**
  Funding triggered by condition thresholds.
- **Maintenance-linked careers**
  Advancement follows reliability, not volume.
- **Performance contracts**
  Payment follows durability and channel function.
- **Coordinated governance**
  One body holds a single accountability point.

Prevent, maintain sustain and perform

Figure 3 Systemic pathway of change

Change agents and institutional ownership of the reform

Six positions already show the reform behaviour required.

Respondents were assessed against three indicators: energy beyond the standard job description, structural curiosity about the future, and a long-term willingness to stay operationally engaged.

Functions already showing the reform behaviour

River and sediment management	Has pushed from volume-based dredging towards outcome-based river management.
Institutional reform and performance	Is strengthening staff performance evaluation and incentives for maintenance.
Planning and financing coordination	Promotes integration of O&M into project planning and inter-agency coordination.
Development partner advisory	Brings asset management and maintenance into policy dialogue and financing alignment.

Reform attached to a person ends with the posting order. The proposal is to write the responsibility into the mandate of the office and hold it in planning, budgeting and approval.

Figure 5 Functions with identified change agents

Who does what, and by when?

The phased action matrix

Six action areas run across three horizons.

Horizon one sits inside BWDB authority, while horizon two needs policy change and horizon three is structural.

Proposed actions by action area and horizon

Action area	Horizon 1, 0 to 12 months	Horizon 2, 12 to 36 months	Horizon 3, 36 months and beyond
Lifecycle asset management	Pilot lifecycle cost planning in three polders	Lifecycle cost analysis mandatory above BDT 100 crore	National Infrastructure Lifecycle Policy enacted
Performance-based procurement	Two performance-based O&M contracts in Khulna	Scale to ten sites, payment linked to verified outcomes	All BWDB O&M procurement under the performance framework
Integrated O&M financing	Ring-fence an O&M budget line for the pilot polders	ADP and revenue budget coordination agreed at MoF	O&M funding reaches 0.3 percent of GDP
Asset condition data systems	Fifty field engineers trained in standardised scoring	National asset condition database linked to budgets	Real-time O&M performance dashboard for MoF and BWDB
Institutional incentives	Promotion criteria linked to maintenance piloted	Asset stewardship added to the appraisal framework	Civil service rules amended to reward performance
Inter-institutional coordination	Joint BWDB, LGED and DAE protocol for Polder 31	Coordination formalised across all coastal polders	Permanent inter-ministerial coordination body

Figure 6 Phased action matrix across three horizons

Institutional roles

The six action areas have named owners and named supporting institutions.

Two of the six sit outside BWDB, with MoWR and the Ministry of Finance, and a third is chaired by the Ministry.

Owner, supporting institutions and the Partners for Water role

Action area	Primary owner	Supporting institutions	Partners for Water role
Lifecycle asset planning	BWDB Planning and Design Wing	MoWR, Planning Commission	Technical advisory, and implementation of the asset management roadmap
Performance-based contracting	BWDB Procurement Wing	CPTU, contractors	Performance contract design support, and co-design of the pilots
O&M budget ring-fencing	MoWR and the Ministry of Finance	BWDB, ERD	Evidence provision, and donor coordination advocacy
Condition data systems	BWDB Operations Wing	IWM, CEGIS	Co-development of the information system, and field tool procurement
Incentive reform	MoWR and Public Administration	BWDB HR, MoPA	Reform design support, and international benchmarking
Inter-institutional coordination	MoWR as chair	BWDB, LGED, DAE, WMOs	Polder 31 pilot facilitation, and coordination protocol design

Figure 7 Responsibility matrix for the six action areas

Early actions in the first three months

Seven actions can start now, most of them within existing authority.

None of the seven requires new legislation or significant additional funding.

Actions, owners and timeframes for the first three months

Action	Owner	Timeframe
Validate the roadmap and assign ownership of each leverage point	BWDB and RVO	0 to 1 month
Select three pilot polders for lifecycle asset planning, including Polder 31	BWDB Planning Wing	0 to 2 months
Draft the lifecycle cost planning template for the pilot polders	BWDB with the asset management roadmap team	1 to 3 months
Design a performance-based contract template for two O&M pilots in Khulna	BWDB Procurement	1 to 3 months
Launch the baseline asset condition survey in the three pilot polders	BWDB Operations Wing	1 to 3 months
Brief Finance and the Planning Commission on lifecycle cost evidence	MoWR and BWDB leadership	2 to 3 months
Begin the communication strategy on the citizen costs of the cycle	MoWR communications	2 to 3 months

Figure 8 Early actions, owners and timeframes

What does success look like?

Indicators of success

If the owners deliver, the sector is measurably different by 2029.

All seven are verifiable from existing BWDB administrative data.

Indicator, baseline and target by horizon

Indicator	Baseline, 2025	Horizon 1, 2026	Horizon 3, 2029 on
Polders with a lifecycle cost plan	None	5 percent, three pilots	**80 percent**
Performance-based O&M contracts	None	Two pilot contracts	**60 percent**
O&M as a share of the BWDB budget	About 5 percent	8 percent	**25 percent or more**
Polders with digital condition records	None	Three pilots	**100 polders or more**
Engineers on an asset management career path	No pathway	Pathway designed	**30 percent enrolled**
Inter-agency coordination meetings a year	None held	Four on Polder 31	**Standing committee**
Citizen satisfaction with maintenance	Not measured	Baseline survey done	**25 percent improvement**

Figure 9 Monitoring indicators, baseline and horizon targets

Group Discussion

Themes for the group discussion

The group work runs on five themes.

Discuss, debate and share.

Why BNR exists?

Do the findings reflect why the BNR cycle persists? Which drivers matter most, and is anything missing or overstated?

Vision for systems change/ leverage points

Are these the right six leverage points for breaking the cycle? What else needs to be added or changed?

The groups validate the proposals rather than building a new roadmap.

Operational Roadmap

Are the short-term and long-term actions realistic and in the right order? Which nudges or incentives would drive them, and what barriers could get in the way?

Institutional coordination

Who should anchor each priority action? Who else must collaborate, and who could champion the change?

Measuring progress

How shall we know the cycle is starting to break? Are the indicators and targets the right ones, with credible baselines, and which early action can each institution commit to in the next three months?