

Strategic Management Team Monthly Review Report – July 2017

Progress against Implementation Year 4 Targets = 7.48%

Result	This month		IY4 Cumulative progress to date	% IY4 Target	IY4 Target (July 2017 - June 2017)
	Target	Progress			
LRN (km)	2,089	2,283	2,283 km DRCN maintained (Total) (876 km from DFID fund)	109.28	2,089km DRCN maintained
	0.00km	0.90km	0.90km 3.5m track opened	11.25%	+8 km at 3.5m track opened
	0.00km	2.30km	On-going		
	0.00km	0.00km	0.00km 4.5m full widening	22.91%	+12 km at 4.5m track opened
	0.00km	2.75km	On-going		
	0.00km	0.00km	0 km road works completed	0.00	+60 km road completed
Employment days	35,000	59,271	59,271 employment days (Total) (49,405 days from DFID fund)	9.56%	+620,000 employment days
Capacity Building	90	64	64 training days	7.90%	+810 training days
CONNECT	12%	13%	13% work plan delivered	N/A	100% work plan delivered
Safeguards	8.33%	8.33%	8.33% activities ongoing	N/A	100% work planned delivered
PMV - Audit	1	1	1 internal audit conducted	5.55%	+18 internal audits completed

Time elapsed in Year 4 = 8.33%

Key Issues: Two months stoppage of RMG maintenance works in PAR and SIN affected meeting overall physical targets. The RAP3 IY4 implementation plan covers a period for July-17 to June-18.

*Measured in August each year: CIM scores for 2014 & 2015 were 6.73 & 7.05 for Pilot districts and 5.09 & 5.81 for Core districts with average 5.77 & 6.34 for 14 districts.

Financial Progress against 4 Budget = 7.15%

Amount (UK£)

Component	INVOICED this month (July 2017)	IY4 Cumulative Total Cumulative Total	FORECAST for next month (August 2017)
Output 1 (LRN):	133,025.22	133,025.22	127,215.92
Output 2 (Employment days):	213,859.86	213,859.86	216,435.44
Output 3 (CBID):	3,120.51	3,120.51	20,326.96
Output 4 (CONNECT):	35,964.74	35,964.74	30,000.00
Safeguard:	7,316.81	7,316.81	7,500.00
PMV:	15,424.19	15,424.19	55,449.41
Other – TA	80,000.00	80,000.00	140,000.00
Flexible Fund- (MHLR, Safetyknot)	9,900.00	9,900.00	62,067.80
OVERALL	498,611.33	498,611.33	658,995.53

Key issues:

Output 4 (CONNECT) and Safeguard to be invoiced on actual costs and others based on results. Unit rates are based on DFID approved trimester rates reconciled on the basis of actual costs.

Quality Management

Field Verification Works in IY4	Number	Actions taken
Field verifications conducted this month	17	Reporting on feedback of accomplished works has helped improved monitoring and quality of works
Total field verifications conducted to date	17	
Audit	Number	Key issues / Actions required
Audits conducted this month	1	Audit approach targeted at key issues/risks. 1 scheduled audit in Mugu on effectiveness of field verification reports conducted.
Total Audits Conducted to Date in IY4	1	

Key issues:

Total issues raised by audit up till July 2017 since the beginning of the programme has reached at 205 of which 196 issues have been settled as the part of continual improvement action plan (CIAP) with 9 issues in hand. Major issues include revisit of field verification formats related to Safeguards management, strengthening documentation of field verification reports and follow-up actions, need to accommodate verification findings and recommendations in district CIAP. Management actions as part of continual improvement initiatives on each issue raised by audits ongoing

Narrative

Narrative

Core New Construction – New construction of 97.5km road in HUM, MUG, KAL and BAJ on-going. Major construction activities are stopped for the monsoon. However, some bioengineering and rock breaking works using hand drills continued during the reporting month.

Review of construction plans for remaining works is underway at districts.

Road Maintenance – RMG road maintenance in 10 districts (5 core - ACH, DAI, JUM, DOT & DAD and 5 pilots – PAR, SIN, SAN, MOR & JHA) continued as planned. RMGs in existing DRCN of 3 new construction districts except Humla, where no DRCN exists, also continued working for road maintenance.

SMG specific road maintenance works in DAI, DOT, ACH and JUM proposed for this year is closed down before the monsoon. Lessons learned are under compilation and these lessons derived during piloting will be taken into consideration on the proposed SMG works to be undertaken during IY4 implementation.

Bids for road term maintenance pilot project (Piece work) in DAD and DAI opened. LOI is issued to the preferred contractor in DAD and evaluation of bids ongoing in DAI.

RAP3 TA for Road Improvement Works – The RAP3 technical assistance for JHA and MOR withdrawn, in spite of requests for its continuity until contract works finish. In response to DCC MOR discussions on how TA support could be continued for a short period of time in case of resumption of works by the contractor after monsoon ongoing.

Despite continuous warnings, encouragement and TA support of RAP3, contractors could not finish improvement works in 2 years against the total contract period of 9 months from the date of signing contracts as provisioned in contracts.

The contractor did not start rectification of defective works of Khursane-Kerabari improvement works before the monsoon.

Procurement – Supplies of earlier contracts substantially completed. IY4 procurement plan prepared. Budget estimates for new procurement items based on new requirements prepared.

Procurement process of 6 packages for supply of safety gears for RBG and SMG members and tools, material, gabion boxes and wires for new construction and SMG works with total worth of about NPR 38 million started.

RAP3 CONNECT – Connect programme in 6 core districts (ACH, BAJ, DAD, DAI, DOT and JUM) is on-going.

238 Hamri Didis from 6 CONNECT districts have been activated with NPR 3,719,298 leveraged in start-up capital. UNL has extended monsoon credit of NPR 246,000 to 28 HDs.

67.62 MT of dry ginger slices and 1.02 MT of dry turmeric slices exported to-date by Organic Mountain Flavour; 26.45 MT of ginger (slices, powder, dust, lower grades) and 20 MT of turmeric are in stock intended for export and domestic sales.

Value Chain Financing loans totaling NPR 2.05 million delivered to 96 Organic Mountain Flavour DSSs along Sahajpur corridor.

47 livestock insurance policies issued for dairy farmers at Belpata.

Advanced negotiations on-going with Prabhu Bank, Dailekh Branch to facilitate the first working capital loan of NPR 5 lakhs for Pawan Agriculture.

Safeguards – Social mobilisation, workers' and work site safety, rehabilitation and reinstatement of damaged structures and public utilities in new construction districts on-going.

Implementation of suggested mitigation measures by Climate Resilience Audit of SDDR, KAL started at the field level.

Programme supported cooperative orientation training to all RBGs ongoing to explore feasible options for utilising the group funds owned and managed by themselves for future investments.

Scoping Study for Safer Communities (SS4SC) in Mugu – The Study Team completed field study of communities residing in road influence area and data entry works for analysis ongoing.

MHLR Design – Design review report and implementation plan incorporating comments and suggestions from DFID submitted. Financial proposal submitted to DFID for review and approval in separate.

Discussions between GoN and DFID on joint management modality of MHLR implementation ongoing. The joint management implementation arrangement includes procedures spending funds available from both governments under co-financing agreements. As agreed both governments will provide 50% of the construction cost each with additional TA costs from DFID.

Capacity Building – CPD programme continued in all programme districts. Implementation of District ASPs for the year 2016-17 and Radio programme “Bikashko Baato” through local FM stations is ongoing.

Support provided to DOLIDAR for the preparation of GIS maps of new (rural) municipalities and re-demarcation of DRCN ongoing. Revision on guideline for district level workshop and engagement strategy for newly formed municipality underway.

Support to NEC to introduce Professional Engineering programme ongoing.

PMV – Terms of Reference for engagement of external financial auditor finalised and auditors are scheduled to be fielded from next month. The audit will capture programme spend details incurred during Feb 2016 – Jun 2017.

Ten monthly report, (Sep'016 – Jun'017) for DFID annual review, trimester progress report and IY4 implementation plan prepared and submitted to DFID. Reported status of integration of risk resilience aspects with RAP3 activities to the ICAI Team visiting Nepal.

Continual improvement actions on all 196 issues up till June completed. Improvement actions on 8 additional issues picked up by July audit related to field verifications ongoing.

Risks and Mitigations – Mitigation measures on risks taken by the programme include the following:

Timely release of RMG budget through local level – Despite the GoN commitment to fund RMG road maintenance costs in 10 maintenance districts the timely fund flow for RMG monthly wage payments from centre to the local level is questionable while the new federal structure is not fully operationalised. The PC, DoLIDAR informed all maintenance DCCs to continue RMG road maintenance works. Options on finding ways for the earliest release of RNG road maintenance budget fund flow also are being discussed with PC, DoLIDAR.