

Briefing Note 027 – Year 2 Strategic Direction

1. INTRODUCTION

With the Annual Reviews completed and the draft ASPs in the final stages of preparation, November and December will be spent drawing up the RAP Annual Implementation Plan for Implementation Year 2 (IY2). By mid November, before finalising component targets in detail, this concept note is to be circulated and discussed with GON, DFID and RAP3 to agree the strategic direction for IY2.

IYEAR 2

Once the Strategy for IY2 is agreed we will then use the IMC LogFrame and ARAMPs to set informed targets by the end of December 2014, after which DFID will take up to one month to approve the contract amendment associated with Year 2 Implementation Plan. In support of this approach

- DFID have extended the Implementation of Year1 to the end of January 2015 provide for detailed planning.
- The new ARAMP has been approved by DOLIDAR's Technical Committee
- DFID and GON will also need to confirm the RAP3 and IMC LogFrames by the end of November ahead of detailed setting of targets and results.

EMPLOYMENT

Employment day targets for the RAP3 Implementation contract were estimated at 500,000 for the end of September 2014. This target was met at the end of August. Targets for May 2015, 16 and 17 have been set in our LogFrame and will be used to set targets for the second year of implementation.

KEPTA also generates employment days for the RAP3 programme and there is a proposal by KEPTA to coordinate better the employment planning of PWP operating in the Karnali region.

We have written to KEPTA observing that

- The amount of employment days generated depends on the ARAMP which identifies where specific physical works are required and the physical work performed.
- IMC RAP3 interventions are tied to the DRCN which does not yet serve every VDC.
- KEPTA, however, may be able to a) target VDCs with no other PWP programmes and b) those with little funding from the other PWPs, including IMC RAP3 and DRILP, thereby spreading the impact of public works programmes more evenly.
- This coordination could be planned for January 2015 after the ARAMPs have been approved by DDC councils.

2. LRN

LRN funding will continue to be aligned with the DTMPs and ARAMPs approved by each DDC and GON's policy of 'maintenance first' in 10 districts with significant district road networks followed by improvements and new construction in the 4 remotest mid-western districts.

Year 2 'Carry-Over': In Implementation Year1 (IY1) an accelerated spend of nearly half the RAP3 budget went to the 10 'maintenance districts'. In 7 of these the fund allocated was sufficient to cover all the annual maintenance requirements with a balance left for Improvements.

- NRs 734.5 million was earmarked for IY1 maintenance through DDFs but start up delays meant only about 1/3rd could be spent by July 2014, leaving a substantial carry-over to year 2.
- 79% of this fund has already been deposited in DDFs, 76% is committed in signed contracts, incomplete contracts and 'pipeline' commitments, which will spill-over into YR-2.
- DDCs are trying hard to meet DFID's target of spending 90% of transferred amounts by the end of Dec 2014 but some will miss this target.

- ❑ Nothing has been spent of the IY1 Improvement budget (approx. NRs 336.5 million) all of which carries over to IY2 / IY3.

Maintenance:

- ❑ Planning: IY2 budgets will be 50-75% of last year's RAP3 DDF amounts for Western / Core Districts while funding for Pilot Districts will cover 12 months of RMG work on fully trafficable DRCN only.
- ❑ Emergency Works: Post monsoon works need carry over funds because GON funds are not transferred to DDFs until November each year.
- ❑ Road Maintenance Groups (RMGs): The current full time (it includes the monsoon) programme covering 1,741 km will be expanded as far as possible across the trafficable DRCN and at least 2,000 km is planned.
- ❑ Specific Maintenance: These localised interventions will be identified in post-monsoon, road condition/road safety assessment surveys and programmed in the 2014/15 ARAMPs prepared during Nov and Dec.
- ❑ Implementation will be by User Committees and/or labour-intensive small-works contractors in a working season expended from 2-3 months in IY1 to 8 months in IY2.

Upgrading / Improvements:

- ❑ "Spare budget" for upgrading was available in 7 of the 10 maintenance Districts and generally involves upgrading of surface type plus geometric improvements to meet Nepal Rural Road Standards.
- ❑ Continuing with the Improvement works programme identified in the 2013/14 ARAMP based on commitments already made.
- ❑ Complete designs, estimates, packaging and procurement through works contractors. Expect works to start from March 2015 and extend significantly into YR-3.
- ❑ Directly funded projects procured by RAP3 through DTAs and supervised by Support Consultants.
- ❑ Further project identification in 2014/15 ARAMP will depend on expansion plans for RAP3.

New Construction:

- ❑ Mobilise RBGs on 2 untouched roads (Galphagad – Kalika (HUM) and Jarkot – Dhaulagaha (KAL), 11.6 + 5.0 = 16.6 km) – target 2.5m wide track opening on majority length.
- ❑ Complete Stage-2 Surveys and design for roads started last year (~77.8 km), update cost estimates, finish incomplete track-opening sections (approx. 22 km) – target widening to at least 3.5m, substantially start all retaining structures and complete to 3-4m in height.
- ❑ A further short special case road section is to be constructed in DAI. This 4km extension to an existing RAP2 road was designed in IY1 and its construction will complete an earlier RAP commitment.
- ❑ In anticipation of a significant Programme expansion, RAP3 has been authorised to start walk-over survey of an additional 60km of DRCN linking HUM to MUG. This is an extension of the 14.5 km section of Sallisalla – Darma road already being built by RAP3 in HUM. The feasibility of 2 major associated bridges is also being explored.

3. SED

The SED strategy in the first year of implementation IY1 relied on the experience and the expertise of the SED partners (Practical Action, Helvetas and Winrock International) in the areas of cash crops, market development and enterprise training and investment in economic infrastructure, including alternative energy and trail bridges as specified by the RAP3 TOR in the ITT. The intention was to review the approaches of the three partners after one year of implementation and adopt a single, unified RAP approach for IY2

DFID's Annual Review in June 2014 recommended that a) a short term review of the livelihood component be conducted by November 2014. In the event a 2 person team, one Nepali and one international consultant will start work in February 2015. b) IMC develop a response to the SED workshop last June in the areas of coordination in planning and implementation of the programme.

The proposed review will also look in to issues like best options for transformational change, the suitability of the SED approach to achieve the LogFrame targets, duplication with other projects and value for money (added value and added cost of working with INGOs) and other issues raised in DFID reports

As part of its preparation for IY2 IMC proposes to respond to these issues as follows

- ❑ Implementing the single, unified approach and communication system mentioned above will be combined with a merger of the still separate partner offices and their operations in to one SED office for each district and for Kathmandu. Where DDCs or DTOs have space to accommodate the SED team or where DTLs still stay outside the DDC or DTO, the SED Team and DTL will be in the same office. The ongoing integration of SEDOs in district SED teams will be formalised, although they will retain non-SED duties. Where a SEDO's presence constitutes a duplication with other SED staff, they will be redeployed elsewhere.
- ❑ Also in Kathmandu, all INGO partner staff and TMO will merge operations and sit together at the TMO. The three INGO project managers and temporary staff will operate directly under day-to-day management of the SED management (IMC). This will also facilitate and strengthen the existing single communication and reporting system. Temporary INGO-expert inputs will be ruled by ToRs, performance and time sheets.
- ❑ We will continue to review whether shifting financial administration of field operations from INGOs to IMC will benefit the programme. Arrangements will be made with the INGOs' other projects in the districts with regard to sharing of e.g. vehicles, equipment and administrative staff.

4. CAPACITY BUILDING

In the long term GON will have to rely on the private sector and the engineering profession in particular, to meet its LRN objectives for a rural transport infrastructure SWAp. However, the poor performance of private sector engineering consultants employed to deliver RAP3 results present the Strategic Management Team with a number of strategic choices. These include

- ❑ Remaining dependent on under-performing consultants and failing to meet programme objectives and results
- ❑ Cancelling local consultant contracts and carrying out their activities 'in-house' or reducing the scope of these contracts (as was done in MOR)
- ❑ Build capacity jointly among both DTO staff and those consultant staff currently working in RAP3 districts to plan and manage LRN infrastructure.
- ❑ Build capacity in the engineering sector for LRN infrastructure and raise engineering professional standards.

RAP3's capacity building strategy for IY2 is designed to

- ❑ Support GON's SWAp objectives in line with NRSAS based on DOLIDAR's DTMP, Annual Road Condition Survey, ARAMP, revised Rural Road Standards, Norms and Specifications and other initiatives such the introduction of RMGs and LRN Road Safety.
- ❑ Boost the performance of both public and private sector engineers working on RAP3 to meet results and targets set by the Programme.
- ❑ To build capacity and raise standards among the engineering profession in Nepal and in particular the LRN sector.

It will do this by

- ❑ Annual LRN Engineering, 6 day, refresher course based on the SWAP project cycle covering Road Condition Surveys, Road Safety Assessments, ARAMP, Detailed Design, Procurement, Contract Management and Supervision. All private sector engineers working on RAP3 must pass the associated annual examination to continue to work on RAP.
- ❑ Continual Professional Development programme for RAP3 engineers, (DTO staff, consultant staff and RAP3 staff) consisting of refresher courses at the district level prior to undertaking each step of the annual project cycle together with an associated examination to determine competency standards.
- ❑ Certificates will be awarded based on the number of successful project cycles completed – 1 year, 2 years, 3 years and more than 3 years.
- ❑ RAP3 has started a Graduate Programme and Internship Programme to assist with field operations and give young engineers hands on practical experience and to instil enthusiasm and pride in the engineering profession both within RAP and the engineering sector more widely.

- ❑ RAP3 will pilot these initiatives with a view to establishing links between the NEA and ICE in developing a CPD programme for Nepali engineers and development of the sector more widely.
- ❑ Annual Support Plans to build capacity among RAP3 DDCs, Support Consultants, Central GON and the Private Sector will continue to be supported to deliver results in terms of service delivery in the LRN sector.

5. PMV

In addition to the regular monitoring and supervision of work activities, the following programme management tools will be adopted in IYR-2 of RAP3 implementation.

- ❑ Monthly reporting format to be reviewed and revised to enable better monitoring of physical progress and results. This will be developed in consultation with DFID Nepal and will be linked to the detailed M&E data, LogFrame outputs, and the DLIs.
- ❑ Rural Access Programme Integrated Database (RAPID) – A key issue still is the poor internet service provision in some districts. Possible solutions include development of an ‘offline’ version and asking GON to make a formal request for the NSAT system to be permitted in key district offices (HUM, MUG, BAJ, KAL). IY2 refine, test and improve financial and contract management modules, and design detailed M&E modules (beyond LogFrame indicators) for automated monthly and trimester report data and DLI data for DFID invoices. The M&E system will only be developed once the internet connectivity issues are fully resolved.
- ❑ Field verification – to be strengthened using special formats designed for field verification of works by central level technical specialists and the district teams.
- ❑ Internal audit - will continue to be implemented through a dedicated team, though with a significant change in approach to Risk Based Auditing to enable objective reviews of the RAP3 approaches and performance to support continual improvement and more efficient and effective management.
- ❑ Anti-corruption strategy – to address some of the recent ICAI criticisms and publicise legislative provisions of GoN and UK government through a wider training programme to RAP3 implementers, local beneficiaries and GON partners that will also aim.
- ❑ Public and social audit – Public audits of works and wage payments at beneficiary level will be arranged twice a year whereas, social audit at the district level will be arranged once in a year.
- ❑ Communication strategy – Programme activities including rural development sector related issues and constraints will be disseminated to target groups and communities through FM radios, televisions, interaction meetings and leaflets. RAP3 and DFID to develop and agree on a tiered approach for dealing with mass media based on key criteria and risks, and the 10 Key Principles of RAP communications.
- ❑ Safeguards – Measures on work safety, social inclusion to ensure minimum representation of women, Dalits and disadvantaged group participation and wage payments in programme activities, environmental mitigation and management will be continued implementing in IYR-2.
- ❑ Risk management – Continue close coordination with the DFID/GIZ Risk Management Office (RMO) using RMO’s guidelines and SITREPs for which RAP3 district staff are major contributors. Continue to maintain a separate register both at the centre and districts to record risk events, mitigation actions taken and to be taken and impact on RAP3 results. eg A significant risk to IY2 implementation is the Constitution Promulgation deadline of January 22nd. Already there is some political unrest and strikes in key areas that are linked to this. A separate Risk Assessment on how this may affect RAP3 is currently being prepared.