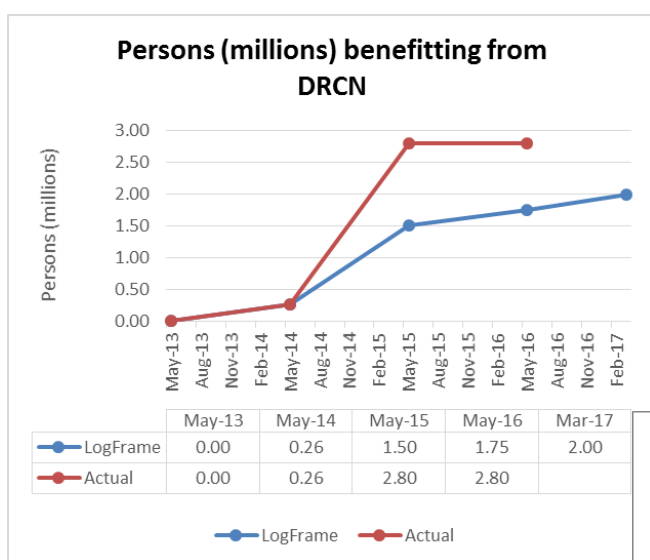


Annual Report – Third Year Results

The results presented here are part of the Annual Report for May 2016 which completes the third year of the RAP3 implementation according to the LogFrame. The results are grouped by LogFrame Outcomes and Outputs including 1) Employment, 2) LRN, 3) SED and 4) Capacity Building and compared with targets for May 2016 and trajectories to March 2017. The LogFrame against which these results have been derived is attached in Annex 1.

1. OUTCOME INDICATORS

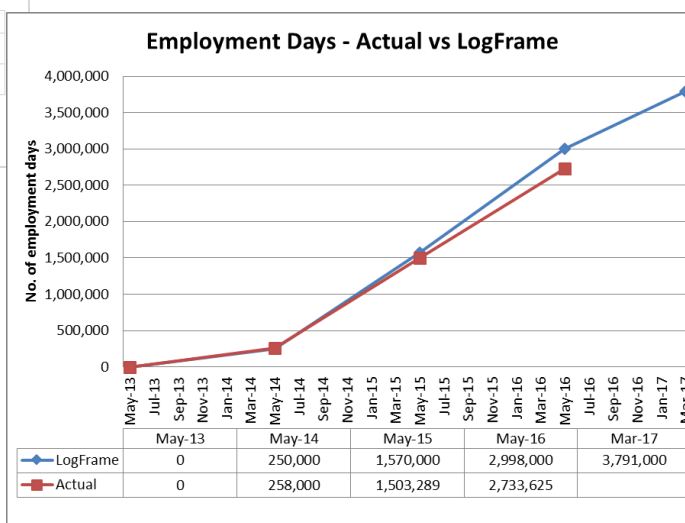
1.1. OUTCOME INDICATOR 1



Outcome Indicator 1 is defined as the number of people (in millions) benefitting from new roads and maintenance preserving the length of trafficable DRCN over the base line. Starting at zero in May 2013 this rose to 0.26 million by 2014 and was set to rise to 1.5 million by May 2015. However, the setting up of Road Maintenance Groups on 2000km of DRCN has meant that the 2017 target was more than met by May 2016.

1.2. OUTCOME INDICATOR 2

Outcome Indicator 2 measures total number of employment

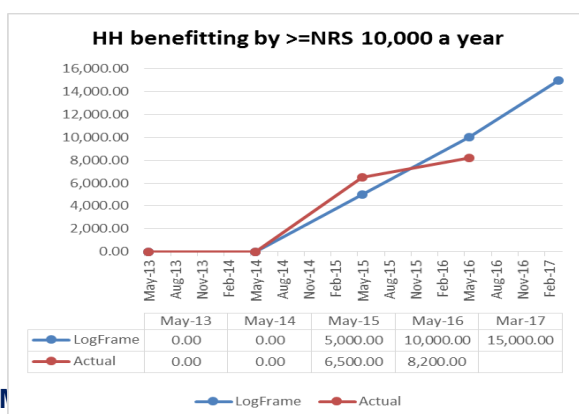


days generated by RAP activities disaggregated by a) new construction by Road Building Groups (RBG), b) Improvements by contractors, c) Road Maintenance (RMG/UC/Contractor) d) SED activities (trail bridges).

The employment days target for the third year of implementation was set at 2,998,000 days by the end of May 2016. Actual figures for May 2016 show that this target was missed by 9% with 2,733,625 days.

The four year direct employment target of RAP3 stands at 3.791 million days by March 2017. The S shaped curve presented right is taken from the 2014 LogFrame and shows targets set three years ago. As of the end of May 2016 actual employment days were behind forecasts but in line with predicted trends.

1.3. OUTCOME INDICATOR 3



This is concerned with the number of households with increased annual incomes of NRS 10,000 or more in RAP districts and measures the impact of the SED programme. With the start of implementation in November 2013 only 7 months had elapsed by May 2014 so no rise in annual income could be measured. By May 2015 the target of 5,000 households had been exceeded comfortably at 6,500 households. The SED programme was discontinued in Feb 2016 with the totals 9% below target.

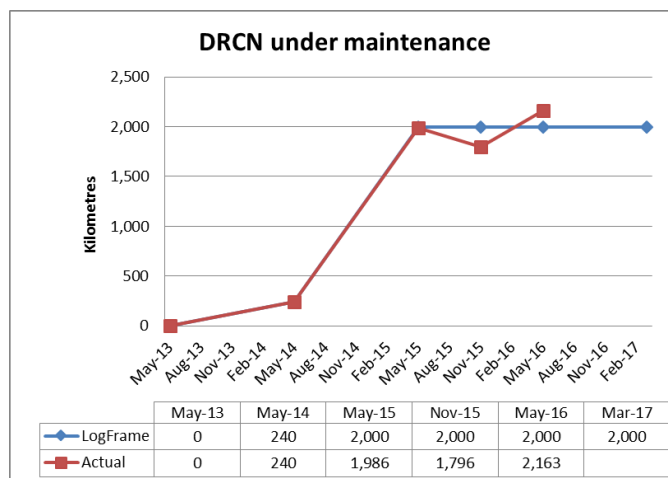
2. OUTPUT INDICATORS FOR LRN

The output is defined as improved rural transport infrastructure, for which there are two Output Indicators.

2.1. OUTPUT INDICATOR 1.1

This is defined as the number of kilometres of DRCN road benefitting from the annual asset management programme disaggregated by a) kilometres of maintenance and b) new road construction.

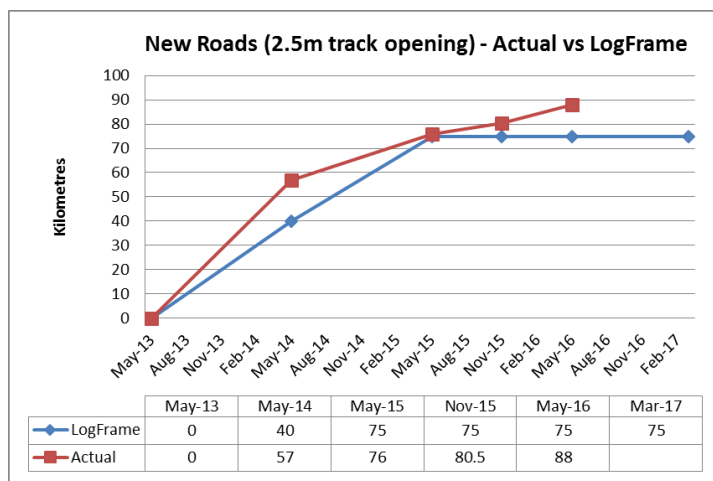
Kilometres of DRCN under routine maintenance by Road Maintenance Groups (RMG) stood at 2163km by May 2016 just over the target of 2,000km. RMGs typically are responsible for the routine and recurrent maintenance of 8-10 km of trafficable DRCN throughout the calendar year and are being piloted in RAP3 districts as part of the GON SWAp programme. The objective is for RMGs to be



adopted by all LRN projects.

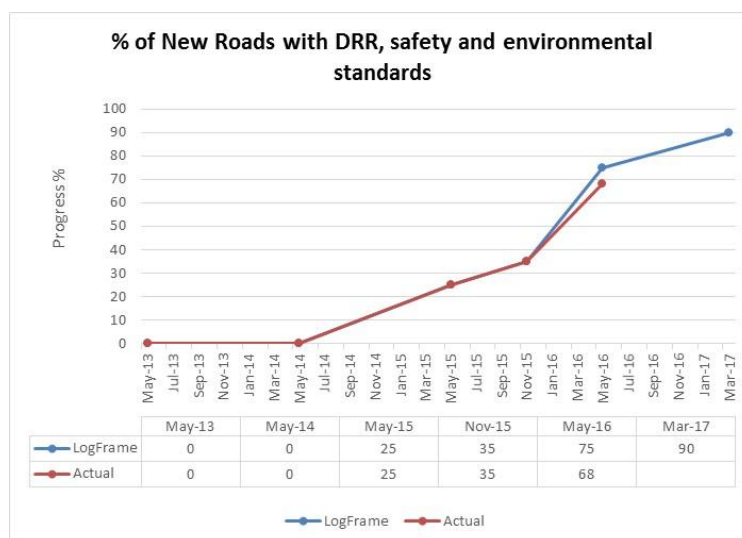
RMGs had been set up on 2,000km of DRCN by May 2015 and, although the total varied slightly as a result of the earthquake and fuel embargo, was 8% ahead of target by May 2016.

Regarding the construction of new roads the intention is to build 97.5km in three steps, these being track opening to 2.5m, then 3.5m and finally 4.5m plus structures. The LogFrame target of 75km represents what was thought to be possible to build by March 2017 but the Extension of time and budget agreed between HMG and GON this total has now been exceeded as we push for 97.5km.



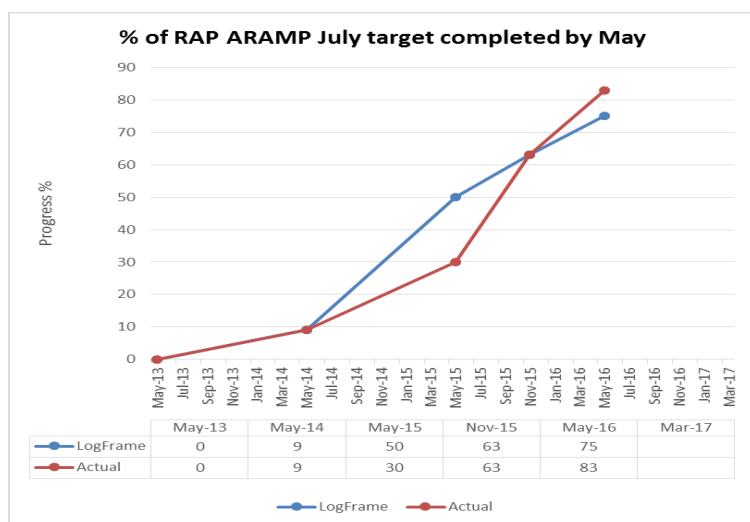
2.2. OUTPUT INDICATOR 1.2

This is defined as the percentage of new road infrastructure investment incorporating a) DRR b) road safety and c) environmental standards. Track opening to 2.5m in 2014 does not meet these criteria which are introduced only in the second year. For May 2016 the target is set at 75% as the track opening is expanded to 3.5 m following the Stage 2 designs drawn up for the new roads sub component. Actual achievement is 68% a shortfall of 9%.



2.3. OUTPUT INDICATOR 1.3

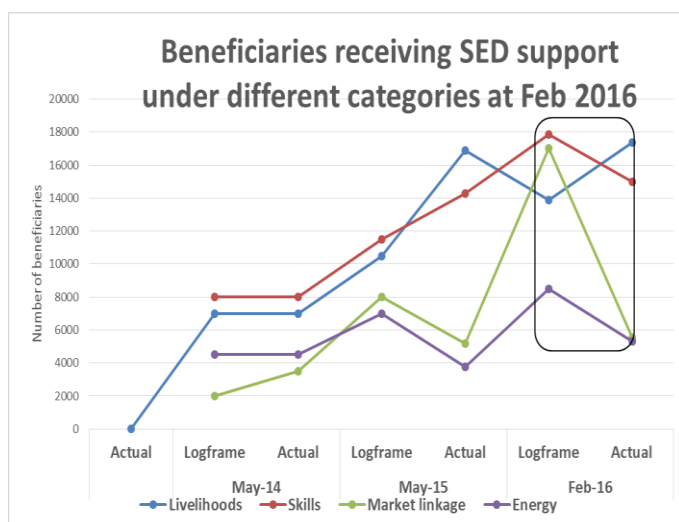
This relates to the percentage of the July ARAMP target achieved in each year of implementation and rose above the 50% target for May 2015. With the shift in the Implementation year to 1st February each year the intention is to extend the working season from 2-3 months (Mar/Apr/May) to 8 months (Feb/ Mar/Apr/May/ Sep/Nov/ Dec/Jan) using GON funds before the rains and RAP3 funds after the rains. This is because unused GON funds are “frozen” after the end of the GON financial year in mid-July whereas RAP funds can spill over into the next working season. The intention is for 90% of the ARAMP to be completed by the end of January each year. Achievement for May 2016 was 8% over the target of 75%.



3. OUTPUT 2: SED

Following a Fundamental Review of the SED component in 2015 it was decided to stop the SED programme at the end of the second year of implementation at the end of January 2016. The three output indicators do not therefore measure progress to May 2016 but only up to February 2016 when the achievement was slightly ahead of target at 113%.

3.1. OUTPUT INDICATOR 2.1

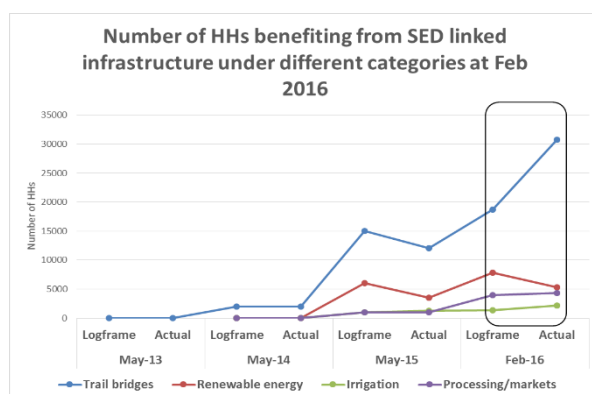


Output 2.1 measures the number of beneficiaries receiving SED support that improves a) Livelihoods b) Skills c) Market linkages d) Household energy disaggregated by gender and disadvantaged groups (DAGs). LogFrame targets are shown left for May 2013, 2014, 2015, and Feb 2016. As of February 2016 performance was above LogFrame targets for Livelihoods and just below targets for Skills, Market Linkages and Household Energy. With regard to DAGs and gender targets the SED component reached its February 2016 DAG target of 20% while its gender target for women of 40% was comfortably achieved at 45%.

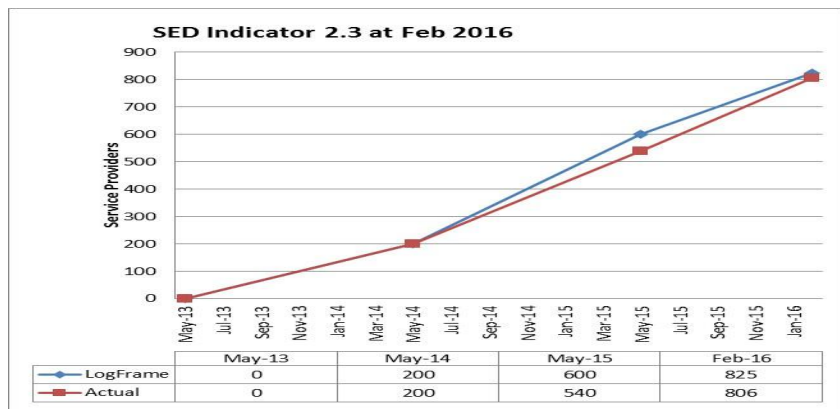
3.2. OUTPUT INDICATOR 2.2

This concerns the number of households benefiting from SED linked infrastructure investment in a) trail bridges b) renewable energy c) irrigation and d) processing and marketing. As of February 2016 trail bridges exceeded target by 163%, irrigation, processing and marketing were on course but renewable energy targets underperformed slightly.

May 2016



3.3. OUTPUT INDICATOR 2.3

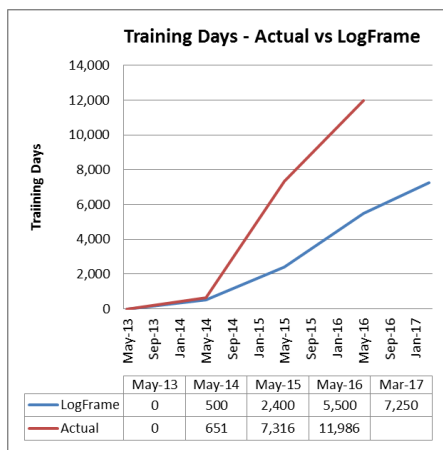


This is measured as the number of private sector service providers engaged by SED in SED clusters and as shown in the graph left for the end of Feb 2016 was 2.5% behind the LogFrame forecast.

4. OUTPUT 3: CAPACITY BUILDING

This Output relates to strengthening institutional capacity to manage rural transport infrastructure in a sustainable way and has three output Indicators.

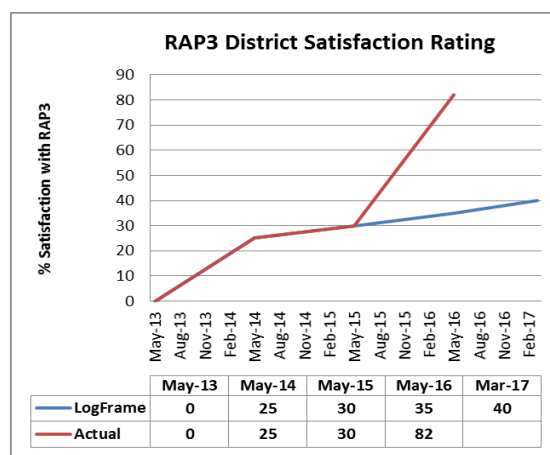
4.1. OUTPUT INDICATOR 3.1



The LogFrame target for May 2016 has been affected considerably by the introduction of the on the job training of the RAP3 Continual Professional Development programme. Measured in training days delivered, CPD training is conducted by District Team Leaders ahead of each step in the annual LRN cycles. So procurement training is carried out ahead of the start of procurement in each district. This adds a great many days of training at the appropriate time in the annual calendar for one fifth of the cost of a formal course such the annual LRN Engineering Course, which all engineers employed by RAP are required to pass. The number of training days in May 2016 stood at just under 12,000 well ahead of the planned target of 5,500. In the Extension plan through to 2019 the numbers of training days a year has been cut to 1,120 per year making a grand total of 3,400 days.

4.2. OUTPUT INDICATOR 3.2

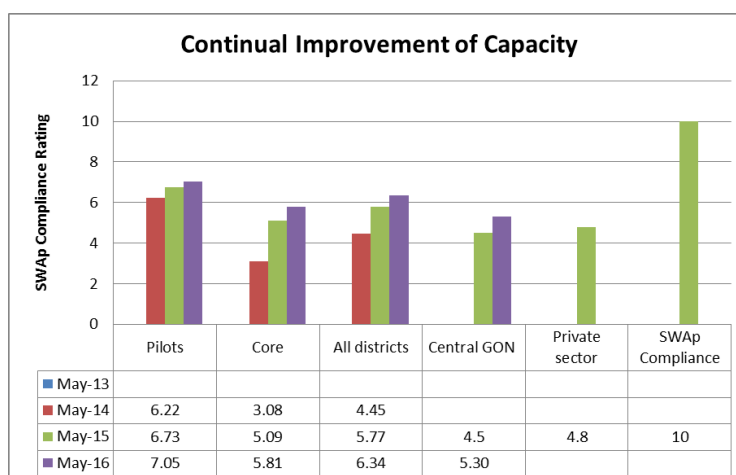
The second output indicator concerns stakeholder satisfaction with RAP3 as determined at the annual district level reviews in terms of the % of review findings showing satisfactory ratings by district level stakeholders. RAP rather modestly thought that these rating would be seen to improve over time but the rating which is measured once a year in July was a massive 82% approval rating. The May 2015 rating remains the same for May 2016 until it is measured again in July 2016.



4.3. CONTINUAL IMPROVEMENT SCORES

Capacity building targets for districts, central and private sector consultants working on RAP3 are based on ISO 2009 continual improvement plans. These measure progress on a 10 point scale for a range of key elements from Engagement (0) through Basic, Intermediate and Advanced to SWAp Compliant (10). For districts key elements are grouped by maintenance, planning, technical, financial, institutional and social/political issues. Key elements will improve at different rates for different districts and at different rates within districts but the guiding principle is that overall performance, the score for all key elements, improves year on year. These overall scores can be tracked for individual districts, groups of districts and averaged for all 14 districts to track the impact of the capacity building programme. The district Annual Reviews each July also identify obstacles to progress which allows the capacity building component of RAP3 to respond via its District and Central Annual Support Plans.

As shown right the SWAp Compliance Ratings for the Pilot districts are the highest and rose from 2014 to 2016. The Pilot districts have had six years of capacity building under the RTI Maintenance Pilot and RAP3 and now stand at 70% compliance whereas the core districts with only three years exposure averaged 58% of compliance.



5. SUMMARY OF THIRD YEAR RESULTS

Key results are presented below based on the LogFrame developed after the first DFID Annual Review in May 2013 at which the Programme was given a disappointing B rating using the original LogFrame developed in 2012. In 2014 the project was given an A rating. As can be seen below Outcome Indicators average nearly 114% over and above LogFrame targets for May 2016 while for Outputs the figure stood at 124%. Both LRN (102%) and SED (113%) have exceeded targets while training is double its targets. Adjustments to the Capacity targets should change this to a more realistic 102% in future.

Outcome/Output	LogFrame target (May 2016)	Result	Remarks
Outcome 1	1.75 m people benefitting	2.8 m people benefitting	160%
Outcome 2	2,998,000 employment days	2,733,625 employment days	91%
Outcome 3	10,000 hh improved income	8,200 hh improved income	91%
LRN 1.1	2,000km DRCN under ARAMP	2163 km DRCN under ARAMP	108%
LRN 1.2	75% to standard	68% to standard	91%
LRN 1.3	75% of ARAMP July target	83% of ARAMP July target	110%
SED 2.1	18,750 beneficiaries (Feb 16)	18,160 beneficiaries	97%
SED 2.2	29,250 hh (Feb 16)	42,555 hh	145%
SED 2.3	825 service providers (Feb 16)	806 service providers	97%
Capacity 3.1	5,500 training days	11,986 training days	218%
Capacity 3.2	40% satisfaction	82% satisfaction	August

Capacity 3.3	63.4% District CIM Score	63.4% District CIM Score	August
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Invoiced for the period :- June 2015 to May 2016

MANAGED FUND DLIs		Sub head	Component wise
DLI Ref	DLI Description		
Outcome 2b Employment Days		£1,898,315.56	£1,898,315.56
Output 1 Improved Access (LRN)			£2,237,683.69
MF1.1	Road length under maintenance	£548,336.86	
MF1.2	Road length under construction		
a	Track under widening to 3.5m	£929,542.02	
b	Track under widening to 4.5m, structures started	£759,804.80	
Output 2 Economic Opportunities (SED)			£1,696,459.03
MF2.1	No. households receiving SED support (excl TB)	£1,268,810.19	
MF2.2	No. new PSBs supporting SED groups / clusters	£427,648.84	
Output 3 Institutional Capacity (CB/PH)			£526,223.45
MF3.1	No. Training Days	£472,017.78	
MF3.2	Trimester milestones (see milestone narrative)	£54,205.67	
Output 4 Performance Management and Verification (PMV)			£220,461.39
MF4.1	No. Audits carried out	£177,027.09	
MF4.3	Monthly SMT Review	£2,000.00	
MF4.2	Trimester milestones (see milestone narrative)	£41,434.30	
Total -Managed Fund		£6,579,143.11	£6,579,143.11
TA DLIs		Sub head	Component wise
DLI Ref	DLI Description		
TA1	Core Management (against monthly reports)	£805,579.56	£1,104,794.80
TA3	5 % escalation of Fees	£0.00	
TA2	Core Management (against trimester, annual, completion reports)	£299,215.24	
Total - TA		£1,104,794.80	£1,104,794.80
SUMMARY		Sub head	Component wise
TA		£6,579,143.11	£6,579,143.11
MF		£1,104,794.80	£1,104,794.80
TOTAL - TA + MF		£7,683,937.91	£7,683,937.91

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DLI Invoiced Amounts

Outcome/Outputs	Indicators	LOGFRAME RESULTS					INVOICED (GBP)						
		Inception/ Baseline	May-14	May-15	May-16	Mar-17	Inception/ Baseline	May-14	May-15	May-16	May-17	Total	
Outcome	Indicator 2: (millions of employment days)	0	258,000	1.5	2.9	3.7							
Output1.1 (LRN): Improved rural transport infrastructure	Km of DRCN under RMG maintenance (km)	0	240	2000	2000	1850							
	Km of new road (2.5m track opened)	0	57	76	88	75							
	Km of new road (3.5m widened)	0	0	27	68	75							
	Km of new road (4.5m widened)	0	0	18	58	75							
								-	6,059,293	3,900,017	4,135,999	4,630,342	18,725,651
Output1.2 (LRN): % of new road infrastructure investment incorporating required a) DRR b) road safety c) environmental standards		0	0	25	70	90							
Output1.3 (LRN): % of RAP ARAMP July target achieved by May		0	9	30	75	0							
Output 2 (SED): Local Economic Growth	2.1 Number of beneficiaries receiving SED support	0	10,000	16,900	18,400	0							
	2.2 Number of households (communities or schemes) benefiting from SED linked infrastructure investment	0	2,000	17,780	48,480	0		1,789,522	1,998,254	1,696,459	423,551	5,907,786	
	2.3 Number of private sector service providers engaged by SED in SED clusters	0	200	540	806	0							
Output 3: Strengthened institutional capacity to sustainably manage rural transport infrastructure	3.1 Number of training days for a) government b) private c) other stakeholders	0	200	6,238	11,986	12,000							
	3.2 % of Annual Social Audit findings conducted at District level showing satisfactory rating increasing year on year	0	80+	80+	80+	80+		-	530,743	475,955	526,223	205,000	1,737,921
	3.3 Continual Improvement Score	Pilot : 5.93 Core : 3.08 Central : 4.0	Pilot : 6.73 Core : 5.09 Central : 4.5	Pilot : 7.05 Core : 5.71 Central : 5.3	Increase	Increase							
PMV									66,251	220,461	173,986	460,698	
OTHER							206,022					206,022	
MANAGED FUND							206,022	8,379,558	6,440,477	6,579,142	5,432,879	27,038,078	
TECHNICAL ASSISTANCE							161,628	861,622	1,338,540	1,104,795	1,095,388	4,561,974	
TOTAL							367,650	9,241,180	7,779,017	7,683,937	6,528,267	31,600,052	

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PROJECT NAME	Rural Access Programme Phase3										
	Indicator	Target	Baseline: May-13	May-14	May-15	May-16	May-17	May-18	Mar-19	Assumptions	
IMPACT	Impact Indicator 1										
	Number of HH lifted out of poverty as a result of RAP3	Planned									
		Achieved									
	Impact indicator 2										
	Number of HH with improved standard of living (SOLI) as a result of RAP3	Planned									
		Achieved									
OUTCOME	Outcome Indicator 1										
Improved incomes and resilience through employment, sustainable access to markets and improved access to economic opportunities in the influence area of RAP (RBG/RMG/other and LRN/KEP)	Number of people benefitting from new roads and maintenance preserving the length of trafficable DRCN over the base line.	Planned	0	0.26m	1.5m	1.75m	2.0m			Political instability does not increase	
		Achieved	0	0.26m	2.8m	2.8m				Limited exogenous shocks to the economy	
	Outcome Indicator 2										
	a. Number of short term jobs created (50days+pa/HH)*	Planned	0	250,000	1,570,000	2,998,000	3,791,000			Limited shocks due to climatic and other natural disasters.	
	b. Derived from employment days created by RAP	Achieved		258,000	a. 50 -100 = 3,201 100> = 1,568 b. 1,503,289	2,733,625					
	Outcome Indicator 3										
	Number of households with increased annual income of NRS 10,000 in of RAP	Planned	0hh	0hh	5,000hh	10,000hh	15,000hh				
	Achieved	0hh	0hh	6,500hh	8,200						
*short term jobs and total employment days created are at the outcome level as a proxy to capture perceived benefits of job creation for which we currently do have reliable and measureable indicators											
OUTPUT 1	Output Indicator 1.1										
Improved rural transport infrastructure	Km of DRCN road benefitting from annual asset management programme									Labour based maintenance approach to climate resistant roads is accepted by the community and other stakeholders.	
	a) under maintenance	Planned	0	240	2,000	2,000			0		
		Achieved	0	240	1,986	2,163					

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	b) 12*small bridges - depends on expansion	Planned	0		0	0			0	<p>Limited impact of extreme climatic conditions affecting road access.</p> <p>Positive response from transport markets to lowered transport costs.</p>
		Achieved	0	0						
	c) new roads (cumulative)	Planned								
		Achieved								
	2.5m wide track opening	Planned	0	40	75	75			75	
		Achieved	0	57	76	88				
	3.5m wide track opening	Planned	0	0	40	60			75	
		Achieved			27	68				
	4.5m (full width +remaining structures)	Planned	0	0	0	40			75	
		Achieved			18	58				
Complete including side drains and bio-engineering	Planned	0	0	0	0			75		
	Achieved									
d) Standalone indicator of journey reliability - Number and duration of road closures in previous year	Indicator									
Output Indicator 1.2										
% of new road infrastructure investment incorporating a) DRR b) road safety c) environmental standards	Planned	0	0	25	70			90		
	Achieved	0	0	25	68					
IMPACT WEIGHTING (%)	Output Indicator 1.3									
	30%	% of RAP ARAMP July target achieved by May	Planned	0	9	50	75			0
Achieved				9	30	83				
			Source:						Risk Rating	
			RAP baseline and programme monitoring reports and third party verification.						Low	
Inputs (£)	DFID (£)		GoN (£)		Others (£)		DFID Share (£)			
Inputs (HR)	DFID (FTEs)									
OUTPUT 2										
Output Indicator 2.1										
Local economic growth	Number of beneficiaries receiving SED support that improves a) livelihoods b)	Planned	0	10,000	15,000	20,000				
				a. 7,000	a. 10,500	a. 15,000				
									Local economies have significant latent capacity that can be stimulated by inputs on	

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	skills c) market linkage -d) household energy (gender and DAG disaggregated)			b. 8,000	b. 11,500	b. 20,000				skills, assets and infrastructure.	
				c. 3,500	c. 8,000	c. 20,000					
				d. 4,500	d. 7,000	d. 9,000					
				40% women	40% women	40% women					
				20% DAG	20% DAG	20% DAG					
		Achieved	0	10,000	16,905	18,403					
				a. 7,000	a. 16,905	a. 17,721					
				b. 8,000	b. 14,276	b. 15,003					
				c. 2,000	c. 5,200	c. 5,515					
				d. 4,500	d. 3,777	d. 5,819					
				30% women	45% women	45% women					
				20% DAG	20% DAG	20% DAG					
Output Indicator 2.2											
	Number of households (communities or schemes) benefiting from SED linked infrastructure investment a) trail bridges b) renewable energy c) irrigation d) processing & marketing	Planned	0	2,000 (8)	21,000 (304)	32,000 (533)					
				a. 2,000 (8)	a. 15,000 (90)	a. 20,000 (100)					
				b. 0	b. 6,000 (162)	b. 8,500 (350)					
				c. 0	c. 1,000 (50)	c. 1,500 (75)					
				d. 0	d. 1,000 (2)	d. 5,000 (8)					
		Achieved	0	2,000 (8)	17,780	48,579 (535)					
				a. 2,000 (8)	a. 12,073 (43)	a. 36,124 (94)					
				b. 0	b. 3,517 (283)	b. 5,819 (313)					
				c. 0	c. 1,318 (48)	c. 2,181 (77)					
				d. 0	d. 972 (4)	d. 4,455 (51)					
IMPACT WEIGHTING (%)	Output Indicator 2.3										
		Planned	0	200	600	900					
20%	Number of private sector service providers engaged by SED in SED clusters	Achieved	0	200	540	806					
			Source:							Risk Rating	
			RAP baseline and programme monitoring reports and third party verification.							Medium	
Inputs (£)	DFID (£)		GoN (£)		Others (£)						

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Inputs (HR)	DFID (FTEs)									
OUTPUT 3	Output Indicator 3.1									Assumptions
Strengthened institutional capacity -to sustainably manage rural transport infrastructure	Number of training days for a) government b) private c) other stakeholders	Planned	0	500	2,400	5,500			7250	Project is able to engage effectively with the local administration.
		Achieved	0	200	6,238	11,986				
	Output Indicator 3.2									Influence of RMG at the VDC level can be achieved through multi stakeholder engagement at the local level.
	% of Annual Social Audit findings conducted at District level showing satisfactory rating increasing year on year. Target is to increase % each year.	Planned	0	25	30					
Achieved		0	The status will be derived in Sept at district annual review	30	82					
IMPACT WEIGHTING (%)	Output Indicator 3.3									
15%	a) Central government b) district government and c) private sector CIM scores demonstrate continual improvement towards SWAp compliance.	Planned	TBD							
		Achieved	Pilot Dist: 5.93 Core Dist: 3.08 All Dist: 4.44 Central 4.0	Pilot Dist: 6.73 Core Dist: 5.09 All Dist: 5.77 Central GoN: 4.5 Private Sector: 4.8 (provisional)	Pilot Dist: 7.05 Core Dist: 5.81 All Dist: 6.34 Central GoN: 5.3 Private Sector:	Measured in August				
Inputs (£)	DFID (£)	Source:							Risk Rating	
		RAP baseline and programme monitoring reports and third party verification.							Medium/High	
Inputs (HR)	DFID (FTEs)	GoN (£)			Others (£)		DFID Share (£)			