

Strategic Management Team Monthly Review – February 2016

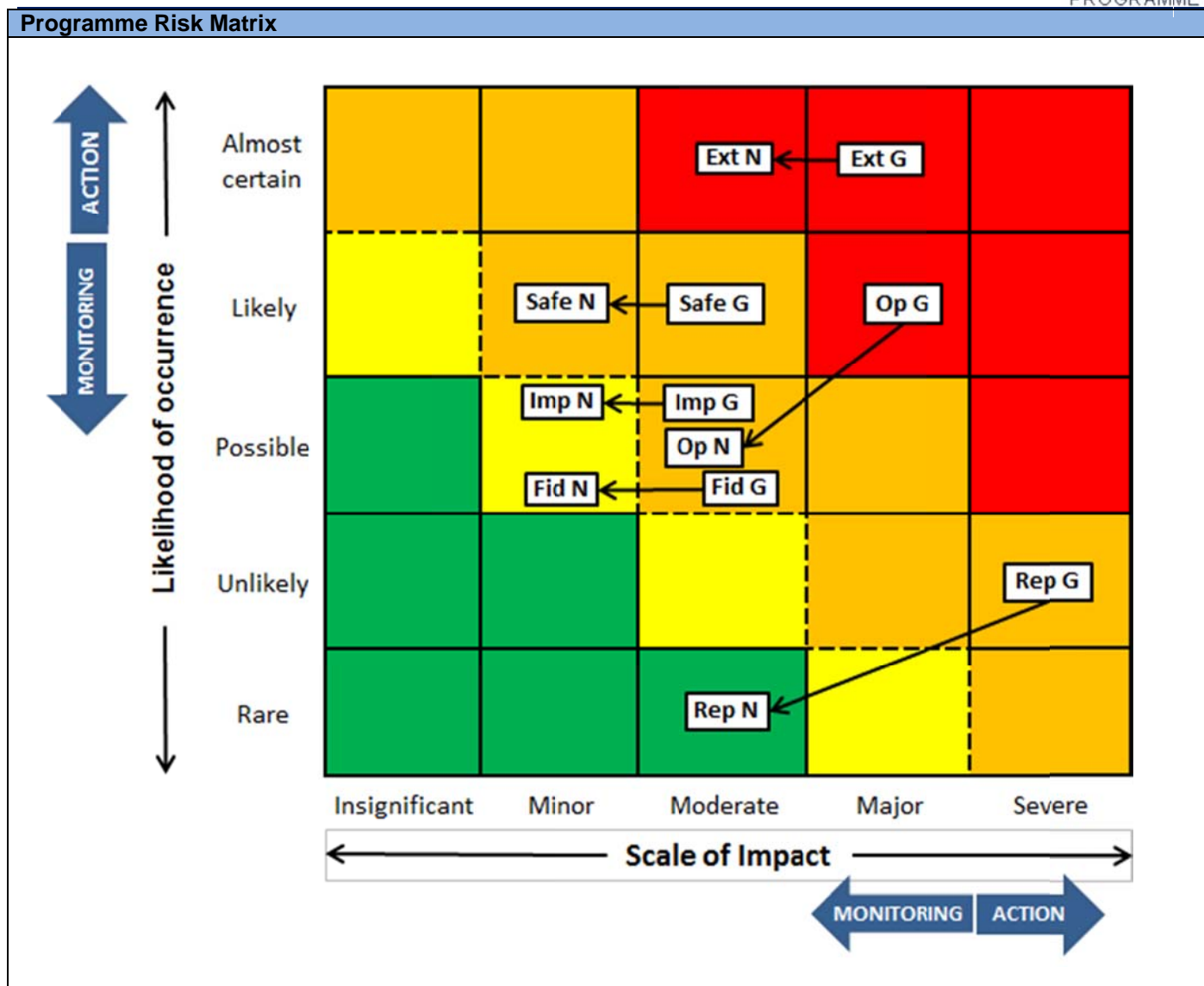
Progress against Implementation Year 3 Targets = 10%				
Result	Achieved this month	IY3 Cumulative to date	% IY3 Target	IY3 Target (Jan 2017)
Employment	132,853 employment days	132,853 employment days	13.3	+1,000,000 employment days
LRN	2096 km DRCN maintained	2096km DRCN maintained	100	2000 km DRCN maintained
	1km 2.5m track opened	1km 2.5m track opened	5.9	+17 km at 2.5m track opened
	3.3km 3.5m track opened	3.3km 3.5m track opened	11.4	+29 km at 3.5m track opened
	5.8km 4.5m full widening	5.8km 4.5m full widening	20	+29 km at 4.5m full widening
SED	SED benefited hh	SED benefited hh	N/A	+1,200 SED benefited hh
	benefited infrastructure hh	benefited infrastructure hh	N/A	+1,320 benefited hh
	business service providers	business service providers	N/A	+92 service providers
Capacity Building	968 training days	968 training days	16.7	+5,800 training days
	82% Satisfaction (Aug 2015)	30% satisfaction (Aug 2014)*	273.3	+5% in satisfaction
	6.34 (Measured Aug each year)	6.34 District CIM Score (Aug 2015)*	100	Increase in District CIM Score
Time elapsed in Year 3 = 8.33%				
Key Issues: SED targets are suspended to end of April while redesign of the component takes place				

*measured in August each year: Last year's CIM score was 5.77

Financial Progress against IY3 Budget = 0%				Amount (UK£)
Component	INVOICED this month (February-016)	Third Year Cumulative Total	On target?	FORECAST for next month (March-016)
Output 1 (employment days):	0		n	
Output 2 (LRN):	0		n	
Output 3 (SED):	0		n	
Output 4 (CBID):	0		y	
PMV	0		Y	
Other – TA	0		y	
OVERALL	0		y	
Key issues: (Do we need to revise any DLIs or the amounts allocated to them?) Currently on target. Invoices will be submitted once IY3 plan approved and Amendment No 5 in place and signed.				

Quality Management		
Performance Management and Verification (PMV)	Number	Actions taken
Field verifications conducted this month	11	
Total field verifications conducted to date in IY3	11	
Reportable incident or risk event this month	Numbers	Key issues / Actions required
Audits conducted this month	5	Audit approach targeted at key issues/risks. Themes audited include health and safety, data validation, documentation and reporting.
Total Audits Conducted to Date in IY3	5	
Key issues: (Feedback arising from audits and opportunities for continual improvement. Any actions required?)		

Risk Management



Risk Area/Description	Mitigation Measures	Residual Impact
A. External Context		
ross Risk		
Jet Risk		
Natural disaster – earthquake, off-season heavy rainfall and snow	i. No mitigation measure possible	
Likelihood: Almost certain Impact: Major		Likelihood: Almost certain Impact: Major
Political disruption of activities due to Bandhs and strikes, unofficial Indo-Nepal border blockage after promulgation of constitution of Nepal in September 2015.	<ul style="list-style-type: none"> i. Rescheduling of material procurement supplies and time extensions on some RAP3 contracts ii. Stopped hand drill operations due to fuel supplies used for rock breaking works and tried to catch up rate of road construction with additional SBGs formation iii. Efforts to expedite DTMP preparation works on DDC support are being made through DoLIDAR. 	RMG and RBG workers walk to work. Only in Morang and Jhapa were RMGs affected. DTMP draft reports of 20 districts received and expected to complete soon. Indo-Nepal border reopened and situation is slowly turning back to normal
DTMP preparation works of additional 20 districts delayed.		
Likelihood: Almost certain Impact: Moderate		Likelihood: Almost certain Impact: Minor
Political interference – Compulsory donation, intimidation, influence on RAP3 decisions	<ul style="list-style-type: none"> i. Briefed on working principles of the programme including BOGs and disseminated exclusively message that no donation is provided to any political parties and their sister organisations ii. Efforts are being made through DoLIDAR to strictly follow the document in annual planning, budget and programming by DDCs 	Not negotiable but districts are aware that RAP cannot pay donations to political parties. DDC's accept that RAP funds go through this procedure even if GON funds do not.
Non-compliance of ARAMP priorities in DRCN planning process and implementation by DDCs		
Likelihood: Almost certain Impact: Moderate		Likelihood: Almost certain Impact: Minor
B. Implementation		
ross Risk		
Jet Risk		

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Remoteness related issues result in delays which lead to cost and time overruns, missed physical results and poor financial forecasting and performance		<ul style="list-style-type: none"> i. Off-season bulk procurement of tools and materials ahead of the construction season to ensure availability ii. For RAP 70% of costs go in wage payments to the poor so increased wages lead to increased benefits iii. De-rate results to account for risks; <ul style="list-style-type: none"> a. By 10-20% b. Use of financial cushion mechanism 		Realistic results set and achieved while DLI financial disbursement targets are hit with accuracy (+/-5%) stipulated by DFID	
Likelihood: Possible	Impact: Moderate	Likelihood: Possible	Impact: Minor		
C. Safeguards		High Risk		High Risk	
Risk of injury and deaths of workers on- and off-work sites		<ul style="list-style-type: none"> i. Provisions for protective safety gears, first aid kits and insurance system in place. ii. Launch enforcement measures using safety gears & awareness raising programme at group & community levels 		In spite of mitigation measures, accidents remain likely	
Likelihood: Likely	Impact: Moderate	Likelihood: Likely	Impact: Minor		
D. Operational		High Risk		High Risk	
Risk of dependence on donor's (DFID) support for road maintenance and upgrading and lack of use of GoN funds.		Exit strategy from pilot maintenance districts is under preparation for consultation with DoLIDAR ensuring GoN funds to cover future road maintenance needs. Switch to "RAP matching funding" mechanism in Pilot districts based on GON funding levels.		GoN fund able to cover routine road maintenance needs but not specific maintenance.	
Likelihood: Likely	Impact: Major	Likelihood: Likely	Impact: Moderate		
Shrinkage of DRCN under RAP maintenance (RMG) due to formation of new municipalities to lessen the milestone target of the programme.		<ul style="list-style-type: none"> i. The formation of new municipalities means that the length of the RAP DRCN will shrink as they take over responsibility for maintenance of existing DRCN links. ii. Reformulate DTMP to support GON expansion programme of DRCN to unconnected VDCs. 		Municipalities unable to fund ex DRCN maintenance but DRCN shrinkage mitigated by new links to unconnected VDCs	
Likelihood: Almost certain	Impact: Minor	Likelihood: Almost certain	Impact: Minor		
Inclusion of Mugu Humla link under feeder road by DoR and start-up of road construction works in intermittent sections with NPR 2.8million budget.		<ul style="list-style-type: none"> i. DoR has agreed to follow route of alignment fixed by RAP3 to utilise remaining budget under the present contract. ii. RAP through DoLIDAR to inform DoR after DFID's approval on additional fund for the road construction. 		Construction of Gamgadhi Chankheli Darma road (Mugu – Humla link) through DFID funding over next four years will go beyond expansion date of October 2019	
Likelihood: Likely	Impact: Major	Likelihood: Unlikely	Impact: Minor		
Environmental Impact Assessment study of Mugu Humla road could take as much as 2 years, and requires community dialogue and approval of EIA by MoPE before design work can start		<ul style="list-style-type: none"> i. Enlist support of MOFALD to mitigate delays by GON in processing EIA ii. EIA scoping document and ToR for EIA study approved by MoPE on 28 Jan 2016. iii. Start some of the design work ahead of EIA TOR approval 		Approval of EIA study will unlikely to have knock on effects to start of road construction works.	
Likelihood: Likely	Impact: Major	Likelihood: Unlikely	Impact: Minor		
General poor performance of Design and Support Consultants		<ul style="list-style-type: none"> i. Engaged fresh engineering graduates to support DTAs and replace under – performing consultants. ii. In the Pilot districts except for Dadeldhura, technicians are directly hired by RAP to replace support consultants' services. 		Direct control by RAP improves performance in Pilot districts and Bajura.	
Likelihood: Likely	Impact: Major	Likelihood: Unlikely	Impact: Moderate		
E. Fiduciary		High Risk		High Risk	
Risk of collusion in bidding during procurement of goods and works		Adoption of e-bidding procurement based on GON e-bidding procedures and establishment of internal scoring criteria and regular audits.		More normal levels of risk secured for RAP funding.	
Likelihood: Possible	Impact: Moderate	Likelihood: Possible	Impact: Moderate		
Potential of inaccurate financial forecasting due to poor planning and budgeting		<ul style="list-style-type: none"> i. Payment for results (P4R) of RAP3 contract provisions promotes achievement of targets ii. Trimesterly progress reviews enable adjustments to financial forecasts 		Able to hit financial forecasts within +/-5% accuracy stipulated by DFID	
Likelihood: Possible	Impact: Moderate	Likelihood: Possible	Impact: Minor		
F. Reputational		High Risk		High Risk	
RAP3 programme expansion seen to be slow or delayed		<ul style="list-style-type: none"> i. Priority given to design by April/May and Amendment # 6 financial by July 2016 ii. HUM MUG road contract awarded by July 2016 		Delays to implementation of Expansion	
Likelihood: Unlikely	Impact: Severe	Likelihood: Rare	Impact: Moderate		
Exit from social and economic development (SED) programme component		i. Other similar programme able to step in such as DFID's CDP		Repositioned role of RAP serving all other SED projects and promoting their results not credited to RAP	
Likelihood: Possible	Impact: Minor	Likelihood: Unlikely	Impact: Minor		

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Individual issue / risk	Definitions
Severe	This is an issue / risk that could severely affect the achievement of one or many of the Department's strategic objectives, or could severely affect the effectiveness or efficiency of the Department's activities or processes.
Major	This is an issue / risk that could have a major effect on the achievement of one or many of the Department's strategic objectives, or could have a major effect on the effectiveness or efficiency of the Department's activities or processes.
Moderate	This is an issue / risk that could have a moderate effect on the achievement of one or many of the Department's strategic objectives, or could have a moderate effect on the effectiveness or efficiency of the Department's activities or processes.
Minor	This is an issue / risk that could have a minor effect on the achievement of one or many of the Department's strategic objectives, or could have a minor effect on the effectiveness or efficiency of the Department's activities or processes.