

# Strategic Management Team Monthly Review – January 2016

Progress against Implementation Year 2 Targets = 116.6%				
Result	Achieved this month	IY2 Cumulative to date	% IY2 Target	IY2 Target (Jan 2016)
Employment	135,447 employment days	1,176,317 employment days	90.5	+1,300,000 employment days
LRN	2,092 km DRCN maintained	2,092 km DRCN maintained	104.6	+2,000 km DRCN maintained
	1.2 km 2.5m track opened	22.00 km 2.5m track opened	122.2	+18 km at 2.5m track opened
	13.40 km >=3.5m track opened	80.27 km >=3.5m track opened	160.5	+50 km >= 3.5m track opened
SED	130 SED benefited hh	7,019 SED benefited hh	100.3	+7,000 SED benefited hh
	8,127 benefited infrastructure hh	23,274 benefited infrastructure hh	211.6	+11,000 benefited hh
	2 business service providers	470 business service providers	95.9	+490 service providers
Capacity Building	638 training days	7,713 training days	198.4	+3,888 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 2 = 100%				
<b>Key Issues:</b> Satisfaction Survey results this year have reached 82%, far ahead of the more cautious 35% cumulative total expected.				

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

Financial Progress against IY2 Budget = 100.59%				Amount (UK£)
Component	INVOICED this month (January-016)	Second Year Cumulative Total	On target?	FORECAST for next month (February-016)
Output 1 (employment days):	0	2,015,360.00	y	282,000.00
Output 2 (LRN):	0	2,866,715.19	y	294,058.04
Output 3 (SED):	0	2,281,745.33	y	86,934.52
Output 4 (CBID):	0	449,619.29	y	52,845.65
PMV	0	160,262.04	Y	27,825.57
Other – TA	0	1,037,663.17	y	134,263.26
<b>OVERALL</b>	<b>0</b>	<b>8,811,365.01</b>	<b>y</b>	<b>877,927.04</b>
<b>Key issues:</b> (Do we need to revise any DLIs or the amounts allocated to them?) Currently on target. Invoice figures are based on amendment 4 contract. Escalation amount to be added once mechanism agreed with DFID and amendment signed.				

Quality Management		
Performance Management and Verification (PMV)	Number	Actions taken
Field verifications conducted this month	28	
Total field verifications conducted to date	198	
Reportable incident or risk event this month	Numbers	Key issues / Actions required
Audits conducted this month	2	Audit approach now targeted at key issues/risks Themes audited include capacity building of local bodies and continual professional development programme.
Total Audits Conducted to Date in IY2	16	
<b>Key issues:</b> (Feedback arising from audits, NCRs. Opportunities for continual improvement. Any actions required?)		

## Monthly Review

How Invoice Derived by DLIs										
DLI	Achieved			Rate (£/unit)	Invoiced			Balance = (Achieved - Invoiced)		
	Up to last month	This month	Total to date		Up to last month	This month	Total to date	Up to last month	This month	Total to date
<b>Outcome (2b):</b>										
Employment days (units)	1,091,065	135,447	1,226,512		1,072,000	0.0	1,072,000.0	19,065.0	135,447.0	154,512.0
Employment days (£)	£2,051,202	£254,640	£2,305,843	£1.88	£2,015,360	£0.0	£2,015,360.0	£35,842.2	£254,640.4	£290,482.6
<b>Output 1.1.a:</b>										
RMG: road maintenance (units)	20,827	2,092	22,919		20,827.00	0.0	20,827.0	0.0	2,092.0	2,092.0
road maintenance (£)	£499,223.19	£50,145.24	£549,368.43	£23.97	£499,223.19	£0.0	£499,223.2	£0.0	£50,145.2	£50,145.2
<b>Output 1.1.b: New construction on-going – 3.5m wide (units)</b>	333.84	6.36	340.2		318.00	0.0	318.0	15.84	6.36	22.20
on-going – 3.5m wide (£)	£1,880,107	£35,818	£1,915,925	£5,631.76	£1,790,900	£0	£1,790,900	£89,207	£35,818	£125,025
on-going – 4.5m wide (units)	129.46	7.08	136.54		96.00	0.00	96.00	33.46	7.08	40.54
on-going – 4.5m wide (£)	£777,559	£42,524	£820,082	£6,006.17	£576,592	£0	£576,592	£200,966	£42,524	£243,490
<b>Output 2.1:</b>										
SED supported Hhs (units)	145,472	18,145	163,617		141,259.00	0.00	141,259.00	4,213.00	18,145.00	22,358.00
SED supported Hhs (£)	£1,610,375	£200,865	£1,811,240	£11.07	£1,563,737	£0	£1,563,737	£46,638	£200,865	£247,503
<b>Output 2.2:</b>										
No of BSPs (units)	468	2.00	470		455.00	0.00	455.00	13.00	2.00	15.00
No of BSPs (£)	£738,523	£3,156	£741,679	£1,578.04	£718,008	£0	£718,008	£20,515	£3,156	£23,671
<b>Output 3.1:</b>										
Training days (units)	7,075	638.00	7,713		4,861.00	0.00	4,861.00	2,214.00	638.00	2,852.00
Training days (£)	£522,913	£47,155	£570,068	£73.91	£359,277	£0	£359,277	£163,637	£47,155	£210,791
<b>Output 3.2:</b>										
CB trimester milestones (units)	2.5	0.00	2.5		2.50	0.00	2.50	-	-	-
CB trimester milestones (£)	£90,343	£0	£90,343	£36,137.11	£90,343	£0	£90,343	£0	£0	£0
<b>Output 4.1:</b>										
Audits -(units)	14.00	2.00	16.00		13.00	0.00	13.00	1.00	2.00	3.00
Audits -(£)	£129,853	£18,550	£148,403	£9,275.19	£120,577	£0	£120,577	£9,275	£18,550	£27,826
<b>Output 4.2:</b>										
PMV trimester milestones - (units)	2.33	0.00	2.33		2.00	0.00	2.00	0.33	-	0.33
PMV trimester milestones - (£)	£46,310	£0	£46,310	£19,875.41	£39,685	£0	£39,685	£6,625	£0	£6,625
<b>TA- (£)</b>			£67,132							£67,132
<b>Earned to date = £10,104,055.33</b>					<b>Invoiced to date =</b>	<b>£8,811,365.01</b>		<b>Balance = (Achieved - Invoiced)</b>	<b>£1,292,690.32</b>	

Note 1: Zero Invoice in Jan -16

Cushion carried over for IY3 - 14.76%

## Risk Management

Risk Area/Description	Mitigation Measures	Residual Impact
<b>A. Fiduciary and Implementation Risks</b>		
Hand drills used for rock breaking works to expedite construction in new corridors is stopped due to fuel shortage since early December 2015	1. Requests to the local District Administration Offices have not been materialised getting fuels to operate drills. 2. Add more Special Building Groups	Likely to improve situation back to normal slowly.
Probability: Medium Impact: Low		Probability: Low Impact: Low
Complaints raised against Practical Action's SED staff in Achham and cc'd to DFID. Two PA staff named in complaint do not work on RAP.	1. PA asked to respond. 2. Letter despatched acknowledging receipt of complaint letter and cc'd DFID, DOLIDAR and PA	No more concerns of RAP3 programme
Probability: Low Impact: Low		Probability: Low Impact: None

**Monthly Review**

Risk Area/Description	Mitigation Measures	Residual Impact
National and regional level Bandhs and violent demonstrations and agitations of political party cadres and ethnic groups against declaration of Constitution of Nepal 2072.  Gas and fuel crisis and GoN rationing on distribution of shortage items due to unofficial Indo-Nepal border blockade by India.	1. Rescheduling of material procurement supplies and time extensions on some RAP3 contracts. 2. Suspended RMG road maintenance works in some DRCN of Morang due to Tarai bandh for about a month in Dec-15.	Likely to improve situation back to normal slowly.
Probability: Low      Impact: Low		Probability: Low      Impact: None
Extortion on compulsory donation by cadres of political parties and their sister organisations in districts	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	Risk rating unchanged
Probability: Low      Impact: Low		Probability: Low      Impact: Low
<b>B. Conflict and Social Risks</b>		
DTMP preparation works of additional 20 districts delayed due to earthquakes of 25 April 2015 followed by fuel crisis and strikes after promulgation of new constitution of Nepal.	Reports of 9 districts finalised, draft reports of 9 districts submitted and 2 more reports (Nuwakot and Tanahun) remaining, the severely earthquakes of 25 April affected districts.	Continue monitoring and supervision of DTMP preparation works of local consultants for early completions
Probability: Low      Impact: Low		Probability: Low      Impact: Low
Non-compliance of ARAMP priorities in DRCN planning process and implementation by DDCs	Efforts are being made through DoLIDAR to strictly follow the document in annual planning, budget and programming by DDCs.	Full compliance by DDCs will not happen within foreseeable future
Probability: Medium      Impact: Medium		Probability: Medium      Impact: Low
Constrained staff movement and delays in tools and material supplies due to frequent strikes	Preparation of recovery plan in new construction districts envisaged deal to minimise effects of strikes on supplies and staff movements	Rescheduling of construction activities to cope with effects of delays in supplies.
Probability: Low      Impact: Low		Probability: Low      Impact: Low
Risk of injury and deaths of workers on- and off-work sites	1. Provisions for protective safety gears, first aid kits and insurance system in place. 2. Launch enforcement measures using safety gears & awareness raising programme at group & community levels	In spite of mitigation measures, accidents can't be fully ignored
Probability: Low      Impact: Low		Probability: Low      Impact: Low
<b>C. Institutional Risks</b>		
Risk of dependence on donor's (DFID) support for road maintenance and upgrading and lack 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	GoN source of fund will be insufficient to cover road maintenance needs.
Probability: Medium      Impact: Low		Probability: Low      Impact: Low
Shrinkage of DRCN under RAP maintenance (RMG) due to formation of new municipalities to lessen the milestone target of the programme.	1. 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. 2. In SIN funding has been provided for 250km of RMG but an expected rise to 400km will not happen if WBs SNTRP starts operating in the district.	Road sections of present DRCN to fall under urban road category and to transfer maintenance responsibilities to municipalities. DRCN links in VDC areas are funded by districts but this is not the case in municipalities. These issues require changes to legislation.
Probability: High      Impact: Low		Probability: High      Impact: Low
Inclusion of Mugu Humla link under feeder road by DoR and start-up of road construction works in intermittent sections with 2.8m budget under two different headings of GoN Redbook. The constructed section neither meets road standards nor accomplished environmental study requirements.	1. DoR agreed to follow route of alignment fixed by RAP3 to utilise remaining budget under the present multi-year contract. 2. RAP through DoLIDAR to inform DoR after DFID's approval on additional fund for the road construction.	Construction of Gamgadhi Chankheli Darma road section through DFID funding.
Probability: Low      Impact: Low		Probability: Low      Impact: None
Environmental Impact Assessments of Mugu Humla link road to take a long time, as much as two years, and require community dialogue and approval of EIA by MOPE (earlier MoSTE) ahead of any design work.	EIA scoping report and ToR submitted to Ministry of Science, Technology and Environment, which is now reformed as Ministry of Population and Environment thru MoFALD for approval is waiting for approval.	Delays in approval from MoPE will have knock on effects to early start of road construction works.
Probability: High      Impact: Low		Probability: High      Impact: High
General poor performance of Design and Support Consultants	1. Engaged fresh engineering graduates to support DTAs and replace under-performing consultants. 2. In the Pilot districts except for Dadeldhura, technicians are directly hired to replace support consultants' services.	Services of poorly performing Design and Support Consultants are discontinued and no more residual impacts will remain on programme implementation.
Probability: Low      Impact: Low		Probability: Low      Impact: None
<b>D. Financial Risks</b>		
Risk of collusion in bidding during procurement of goods and works	Open competition is ensured on all steps of procurement through e-bidding process and establishment of internal check system.	Total elimination in DDF to be administered through DDCs is difficult
Probability: Medium      Impact: Medium		Probability: Low      Impact: Low

## Monthly Review

Risk Area/Description	Mitigation Measures	Residual Impact	
Potential of inaccurate financial forecasting due to poor planning and budgeting	1. Payment for results (P4R) of RAP3 contract provisions ensures achievement of targets  2. Progress reviews enable make adjustments to financial forecasts	No residual impacts exist	
Probability: Low	Impact: Medium	Probability: Low	Impact: None
<b>Key Issues:</b> (are there any changes in risk status? Is any action required by GON, DFID or SMT?)			