

Monthly PMR – May 2019

1. PROGRESS THIS MONTH

1.1. NARRATIVE

- SRBGs have been working for structures work on the Improvement section. RBGs, SRBGs and one Rock Drill group operating group on Mugu side are continuing with structures and drainage on new construction section. All together 31 groups SRBGs and 52 RBGs are working.
- Tree stamping has been completed on both Mugu and Humla sides. Tree felling and removal on Mugu and Humla are in progress and track opening has reached Lebra Khola (Ch 42.78). Total 452 tree on Mugu side and 827 on Humla side already chopped and prepared logs of different sizes as instructed by DFOs.
- Phase 2 excavator hire agreements in place. Average 8 excavators in operation during May. New track opening works at Chankheli to Lebra sections. Widening works at Falata, Bama Darke and Chankheli areas. The excavator with rock breaker is halt due to servicing time.
- Selection and appointment of Intern Junior positions for store keepers, social mobilisers and local supervisors from roadside communities on Humla side is also completed. These appointments build on the RAP3 CTEVT intern programme and skills development for local people with the relevant qualifications.
- Rugha LRUC third IPC payment have been made and Luma and Bama LRUC's bills are being prepared.
- Site Office established in Sathaple and construction of site Office in Melcham is about to finish.
- A significant effort to build up fuel stocks for the monsoon and festival period is underway, though hampered by river crossing difficulties in delivering this to site. Till the end of the May, the diesel stock at different stores is 63,500.00 lit. It is estimated that 100,000 + litres of fuel is needed to ensure continuous operation of the expanded excavator fleet for up to 3 months (the anticipated duration of road closures based on last year's date).
- Six New Motorbikes of model Yamaha SZ-RR core 150 cc and two Model Yamaha XTZ 125cc have reached the Gamgadi for MHLR work.
- Contract agreement have been signed for the contract package of RAP3/MHLR/2019/012 (Supply of Construction Tools and Safety Equipment's), RAP3/MHLR/2019/013 (Supply of Gabion Boxes and GI wires), RAP3/MHLR/2019/014 (Supply of Geotextile). The last date for the supply of above contract packages is 30th June.
- RMSED training was provided to the project field staff in two shifts. First shift was provided on 26-27 in which 40 participants participated and next shift was on 30-31 of the June in which 29 participants participated. Total participants who attended trainings were 69.
- First draft Technical Note on key Road Alignment Design features prepared.
- Flexible facility for support to NEC and next phase of PEng launch approved by DFID.

1.2. RESULTS

Physical progress has been better than expected in May, partly due to the forecast results being on the conservative side due to concerns over risks such as speed of track opening through the forest section on Humla side. In May we have achieved 113% of the weighted forecast results, bringing the cumulative progress to 103% of the forecast.

1.2.1. Physical Results Summary

In May we have achieved 113% of the weighted forecast results, bringing the cumulative progress to 103% of the forecast.

Ref	Milestone	This Month			Cumulative			Contract Value	Weighting	% Completion
		Planned	Actual	Variance	Planned	Actual	Variance			
a)	Improvements substantial completion	1.0	1.5	-0.5	3.0	3.5	-0.5	4.0	5%	87.50%
b)	3m track opening	6.0	10.0	-4.0	26.0	30.0	-4.0	49.0	15%	61.22%
c)	4.5m track opening	6.0	6.0	0.0	29.0	29.0	0.0	63.0	30%	46.03%
d)	Substantial completion (new)	3.0	2.0	1.0	15.0	14.0	1.0	63.0	50%	22.22%
Totals		16.0	19.5	-3.5	73.0	76.5	-3.5			
Weighted Progress		8.32%	9.38%	-1.06%	37.42%	38.48%	-1.06%	Weighted Progress		38.48%
% actual / planned		113%			103%					

1.2.2. Financial Results Summary

With the invoice amounts linked to the physical progress, the financial results are similarly above the forecast at 112% for May and 101% cumulatively.

Ref	Milestone Payments	This Month			Cumulative			Contract Value	% Completion
		Planned	Actual	Variance	Planned	Actual	Variance		
W1	Progress Milestones	326,840	368,294	- 41,453	2,671,112	2,712,565	- 41,453	11,217,403	24.18%
W2	Completion Milestones	-	-	-	-	-	-	2,804,351	0.00%
M	Management Milestones	19,281	19,281	-	238,448	238,448	-	1,478,246	16.13%
Total		346,122	387,575	- 41,453	2,909,560	2,951,013	- 41,453	15,500,000	19.04%
% actual / planned		112%			101%				

As in April, the unit rates for milestone payments are at the adjusted unit rate of 35% of contract rate.

MF1: Output & deliverables (paid monthly as achieved)		Contract Unit Rate	Adjusted unit rate for March 19	Adjusted unit rate for April-June 19
		100%	60%	35%
a	Improvements substantial completion	£140,217.54	£84,130.52	£49,076.14
b	3m Track opening, per km	£34,338.99	£20,603.39	£12,018.65
c	4.5m Track opening, per km	£53,416.21	£32,049.73	£18,695.67
d	Substantial completion, per km	£89,027.01	£53,416.21	£31,159.45

1.3. EMPLOYMENT AND OTHER RESULTS

The table below left summarises the employment data during this reporting month, below right the cumulative employment days to date. Whilst the SRBGs have only 21% women members, these women have earned 35% of the employment days. The increased women’s participation occurs on the Improvement section, close to Gamgadhi.

Indicator	RBG	SRBG	Total
No. Groups	52	31	83
No. Members	1,035	469	1,504
Women	509	98	607
Men	526	371	897
% Women	49%	21%	40%
Employment Days	22,517	6,424	28,941
Women	11,316	2,254	13,570
Men	11,201	4,170	15,371
% Women	50%	35%	47%

Indicator	RBG	SRBG	Total
Employment Days	124,034	9,611	133,645
Women	58,882	3,179	62,061
Men	65,152	6,432	71,584
% Women	47%	33%	46%

2. PLAN FOR NEXT MONTH

2.1. NARRATIVE

- Many S/RBGs will stop work for a few weeks to attend to their farms as it is now planting season.
- Continue the formation of SRBGs on Humla side for works between Chankheli and Melcham.
- Start RBG formation on Humla side, but mobilisation not needed until July at earliest.
- Forest clearance, track opening and widening works will continue.
- Continue to build up fuel and other essential supplies in advance of anticipated road closures (expected from July)
- Continue discussions with DFOs to establish nurseries for replanting programme and bio-engineering works
- Start bio-engineering works on substantially and nearly complete sections on Mugu side. Grass seeds will be procured from NARC Khumaltar for treating naked slopes.
- Contract agreement for the contract package RAP3/MHLR/2019/015 (Supply of safety Gumboots) is in progress and probably it will be signed within first week of June.
- Field test of new Chisel samples and subsequent procurement based on findings and recommendations.
- Circulate draft Road Alignment technical note for field testing. Prepare draft of Excavator Management technical note for circulation (also copy draft to DFID).

2.2. RESULTS

The tables below present the forecast as per the Trimester forecast, except milestone a, which is capped at 4km completion. In June, we expect the equipment based, track opening works to continue at a high pace, but we expect there to be a slowdown in the labour based structures work due to it being planting season – however this may not affect the substantial completion results as there are several new track open sections that do not required structures.

2.2.1. Physical Results Estimate

Ref	Milestone	This Month	Cumulative	Contract Value	Weighting	% Completion
a)	Improvements substantial completion	0.5	4.00	4	5%	100.00%
b)	3m track opening	5	35.00	49	15%	71.43%
c)	4.5m track opening	5	34.00	63	30%	53.97%
d)	Substantial completion (new)	2	16.00	63	50%	25.40%
Totals		12.5	89.00			
Weighted Progress		6.12%	44.60%	Weighted Progress		44.60%

2.2.2. Financial Results Estimate

Ref	Milestone Payments	This Month	Cumulative	Contract Value	% Completion
W1	Progress Milestones	240,429	2,952,994	11,217,403	26.33%
W2	Completion Milestones	140,218	140,218	2,804,351	5.00%
M	Management Milestones	19,281	257,729	1,478,246	17.43%
Total		399,928	3,350,941	15,500,000	21.62%

2.3. EMPLOYMENT AND OTHER RESULTS

In June we will continue to expand the labour force through the mobilisation of new SRBGs to support the forest clearance and track opening works in Humla. We will also start forming the RBGs in Humla, but these will only be

mobilised once we are able to get excavators through to start track opening works from Melcham. We estimate a total of 40-45 SRBGs will be working by the end of June, with an estimated employment days of 20,000.

2.4. SAFEGUARDING AND RISK MANAGEMENT

Biplav activity. The recent incidents initiated by Biplav group in Kathmandu, Solukhumbu and other parts of the country, although not related to the project, demonstrates the need to be alert to such risks. We have been required to stop excavator work on band days, though they allowed RBGs to continue working.

Forest Clearance: A total of 5 SRBGs are supporting forest clearance. About 452 trees on Mugu side and 827 on Humla side are already felled and logs of different sizes prepared as per DFO instructions. On 3rd June 2019 a letter was issued by the Director of Department of Forest that the deadline for cutting trees does not apply to National Pride Projects (what was P1 project). As RAP was confirmed as a NPP by MOFALD in July 2018, this means we can continue cutting trees with no deadline. Finding land for the replanting programme as per GON requirements may also become a problem and we are liaising with the DFOs to try and start establishing nurseries and to initiate compensatory plantation as soon as possible. We are planning to discuss with Community Forest Users Groups in June to expedite nurseries raising and collection of wild species to initiate compensatory plantation.

Accidents: We have had two accidents this month, both requiring referral. One was due to a stone falling from the road edge while he was working on the dry stone wall below – the stone hit and squashed the little finger on his left hand. The other was a chain saw operator who cut his thigh (superficial cut, but given stitches by PHASE Nepal team at Bama, then transferred to Jumla for doctor check) – he was not actually using the chain saw at the time, but accidentally pressed the operate button while holding the saw. Aprons and leg protectors have since been issued to chain saw operators as the fibres on these cause the saws to automatically cut out before they can cut through to skin.

Access: We continue to be dependent on using the locally operated Tuin to carry fuel and materials across the Mugu Karnali river. So far this has proven an acceptable method, though there are concerns as to how long he will continue to offer these services. Stocks in Gamgadhi and on site are being increased to ensure sufficient availability once the highway to Gamgadhi closes – by June end we are aiming to have sufficient stocks for up to three month's work.

Women's safety boots. We are still waiting for the Chinese procured small size boots to reach Nepal.

3. INNOVATIONS, LESSONS, OPPORTUNITIES FOR IMPROVEMENT

Managing Security Risks: PCU team delivered the RMSED training to all site staff at the end of May. The feedback from the training was very positive. We are still investigating options for Crisis Management training, including cost sharing across other DFID projects. It is felt this training would be very useful to improve preparedness and immediate response plans to potential incidents.

Excavator Maintenance: We are finding we have between 40% and 80% of excavators actually working at any one time due either to excavator break downs, stoppages while waiting for routine servicing or replacement parts, and absent operators. Based on the Phase 1 experience, we had introduced new clauses in the Phase 2 contracts to address these issues, and increased the number of excavators hired to accommodate expected down time. This therefore is not affecting achievement of results nor the cost of works (we do not pay for down time caused by poor management of spares and maintenance or for absence of operator).

Forest Clearance: Following confirmation from Department of Forest that NPP projects can continue tree cutting beyond the annual deadline, the tree cutting deadline is no longer a risk. This, along with several other instances in which we have relied on our P1 / NPP status to overcome obstacles to works delivery shows the importance that such status has. This is worth remembering in designing and planning future projects in which Federal authorities still have authority over key decisions through line ministries outside of MOFAGA and the Provinces.

Social Security Act: Whilst we were well aware of and had made adequate provisions for the introduction of the Social Security Act on our employees, we were recently advised that this may apply to all construction workers including our S/RBGs. We had not anticipated this requirement. However, another advisor later suggested that because they are project beneficiaries, are not on an employment contract, and have no obligation to continue working on RAP, it may not apply. We are therefore seeking legal advice on the matter. The worst case scenario is an additional £1.3m cost not budgeted for, but our perception is it will not come to this.