

Plan Implementation

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Outline of Presentation

1. Plan Implementation: Meaning
2. Use of MTEF in Plan Implementation
3. Plan implementation Process and Implementation Modalities
4. Application of Networking technique in project/program activities
5. Planning and Development Problems in Nepal
6. Issues and Challenges of Development in Nepal
7. Problems of Plan Formulation and Implementation in Nepal
8. Conclusion and Suggestions

1. Plan Implementation: Meaning

- Development Plans are formulated for implementation.
- Plan implementation means to allocate budget and mobilise other resources to achieve the stated goals and targets of the Plan.
- Therefore, effective implementation of the periodic development plan is required to achieve the plan's target and objectives within the plan period and get the development results.
- To achieve the target we need annual breakdown of the budget and activities

2. Use of MTEF in Plan Implementation

- The Medium Term Expenditure Framework (MTEF) is a three-year framework within which available total resources for the government (domestic as well as external/foreign resources) are allocated between various sectors
- MTEF is a tool to:
 - To link annual programs and budget with Medium-Term Plan.
 - To prioritize program and budget according objectives and policies.
 - To select sectoral programs within the budget ceiling.
 - To ensure allocation of resources for prioritized program

The MTEF can also be described as:

- A **process** for matching limited resources with unlimited needs.
- An **integrated system** through which **all resources (government and donor)** are allocated on the basis of **policy priorities**.
- A **medium term focus** into resource planning, so as to plan ahead for changes in policy and expenditure reallocations.
- Enhancing **predictability** in the flow of resources, nationally, sectorally and at the ministerial /departmental levels.

3. Plan Implementation Process and Implementation Modalities

- Plan Implementation Process starts from annual budget process
- Therefore, annual budget and policies are very crucial for plan implementation.
- In the context of Nepal, the following planning and budgetary processes are followed.
 1. Annual program/budgeting with trimester breakdown
 2. Institutional arrangement or project office
 3. Human resource management
 4. Job responsibility
 5. Action plan/procurement plan
 6. Activities conduction
 7. Coordination mechanism

The MTEF and Annual Budgetary Process

- The MTEF approach involves both a **top-down and bottom up approach** of estimating total resource availability for a three years period and dividing these resources between ministries based on priorities of the government/plan.

1. Estimation of the Resource Envelope:

- determination of the total resources available, within the context of a stable macroeconomic setting.
- And this should be based on a consistent macro economic framework

1. Projections of domestic and External (donor) inflow including:

- Domestic revenues
- Foreign grants and loans
- Government domestic borrowings

2. From the bottom up, ministries need to prepare budget on the basis of Strategic Plan.

- The sector Plan set out the Ministry's objectives; output and activities from which an activity-based budget is prepared.
- Bottom up requirements from each spending sector/agency of the funds required

a) For Current Expenditures

- Wages and salaries
- Office equipment's.

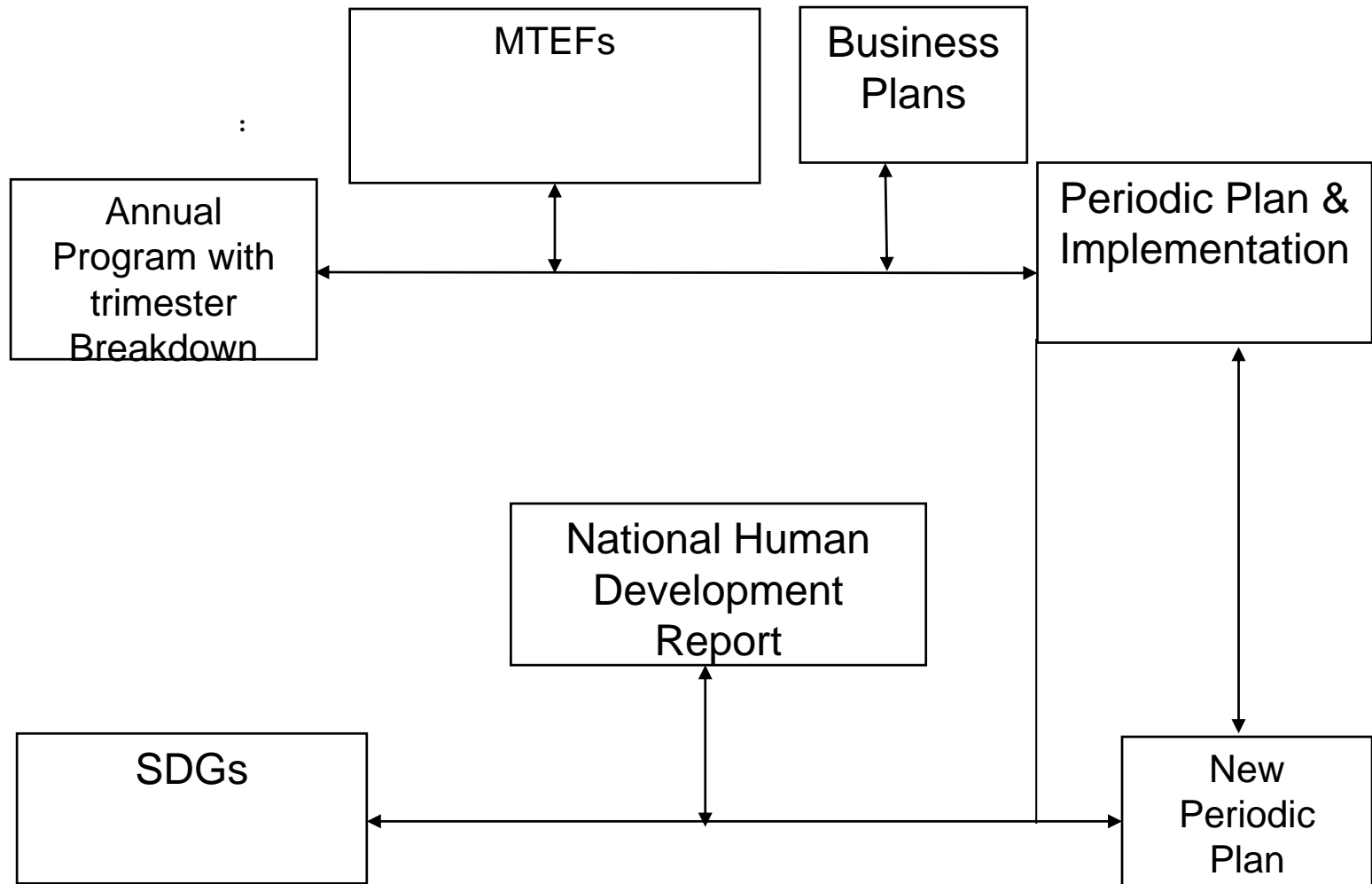
b) For Development/Capital Expenditure

- To implement existing development budget policy objectives and target.
- To implement new policy initiatives

3. Matching demands (needs/requirements) with likely resource availability

- Ministries are required to priorities their activities and related costs within the ceilings and guidelines provided from the NPC.

Linkage between SDGs, Periodic Plan, MTEF and Annual Plan/Programs



Linkages between Policy, Plan and Annual Program/Budget

Policy

- Broad guidelines
- Broad development indication
- e.g. LDC Graduation, Constitutional policies, Education policy,
- Health sector Strategy, Policy
- ADS

Plan

- Include the major policy for implementation
- Macro indicators
- e.g. GDP growth rate, reduction of poverty, Increase irrigation facility rate by x%,

MTEF

- Tool for linking plan with annual programs
- Prioritization of Projects/Programs
- Tool for PFM
- Link inputs with outputs

Annual Program

- Actual implementation of periodic plan
- Set annual sectoral targets
- Resource backup

Implementation Modalities

1. Establishment of a project office
2. Adoption of BOT, BOOT or PPP model or system.
3. Turn Key model
4. Out sourcing
5. Through local or provincial government offices
6. Through NGOs and CBOs
7. Other interim arrangements

Establishment of Project Office

- Budget Release
- Acquisition of human resources
- Prepare Job Responsibility and Job description
- Establish information system
- Appointment of consultants
- Preparing engineering design
- Preparing bidding document
- Tender and Contract out
- Preparing CPM or Gantt Chart for implementation and also trimester breakdown
- Budget control
- Monitoring and supervision
- Progress Reporting

4. Application of Networking Technique in Project/Program Activities

- **To implement projects and programs effectively we need to prepare project planning**

The steps in Project Planning are:

1. Defining objectives of the project
2. Setting the goals
3. Identifying alternative course of action for achieving goals
4. Estimating the resource availability
5. Selecting most suited action to achieve the desired result.

- Therefore, a project plan expresses the objectives & requirements of the project in terms of :

- **Project Scope**
- **Project Schedule**
- **Resource Requirement**
- **Project cost estimation**
- **Project Quality, and**
- **Project Risk Management**

Why do we need project planning?

- 1. To reduces risk and uncertainty** in a project.
Project planner needs to make a provision for potential occurrences of uncertainties in advance.
 - With well-planned project we can respond to potential risks, slippages, etc.
- 2. To save on time, on resources and as a result we can save on cost too.**
- 3. To improve efficiency in implementation**

4. To improve monitoring and control.
5. To determine performance standard
6. To enable project manager to translate project requirement into **Work breakdown structure (WBS)**, tasks list, Gantt charts, resource assignment and risk register, etc.

a. Project Scope Planning

- Any project is expected to provide certain outcome, which is known as **project deliverables**.
- These project deliverables depends on the scope of the project.
- project scope outlines the extent of project deliverables.
- project scope is what the project is expected to achieve and **specify the budget of both time and cost** that needs to be provisioned to create the project deliverables.

- one needs to take care of clearly carving out project definition & the budgetary requirements.
- The durations for the various tasks necessary to complete the work are listed and grouped into a work breakdown structure.

Setting Time line of the project activities

- To determine completion date of any projects it is essential to set time line of all the activities of the project to get the output.

b. Project scheduling

- A project consists of many inter-related activities. It consumes resources like man, money and materials. Therefore we need to schedule them.
- The project scheduling refers to process of laying out all the activities of the project in time sequence in logical order.

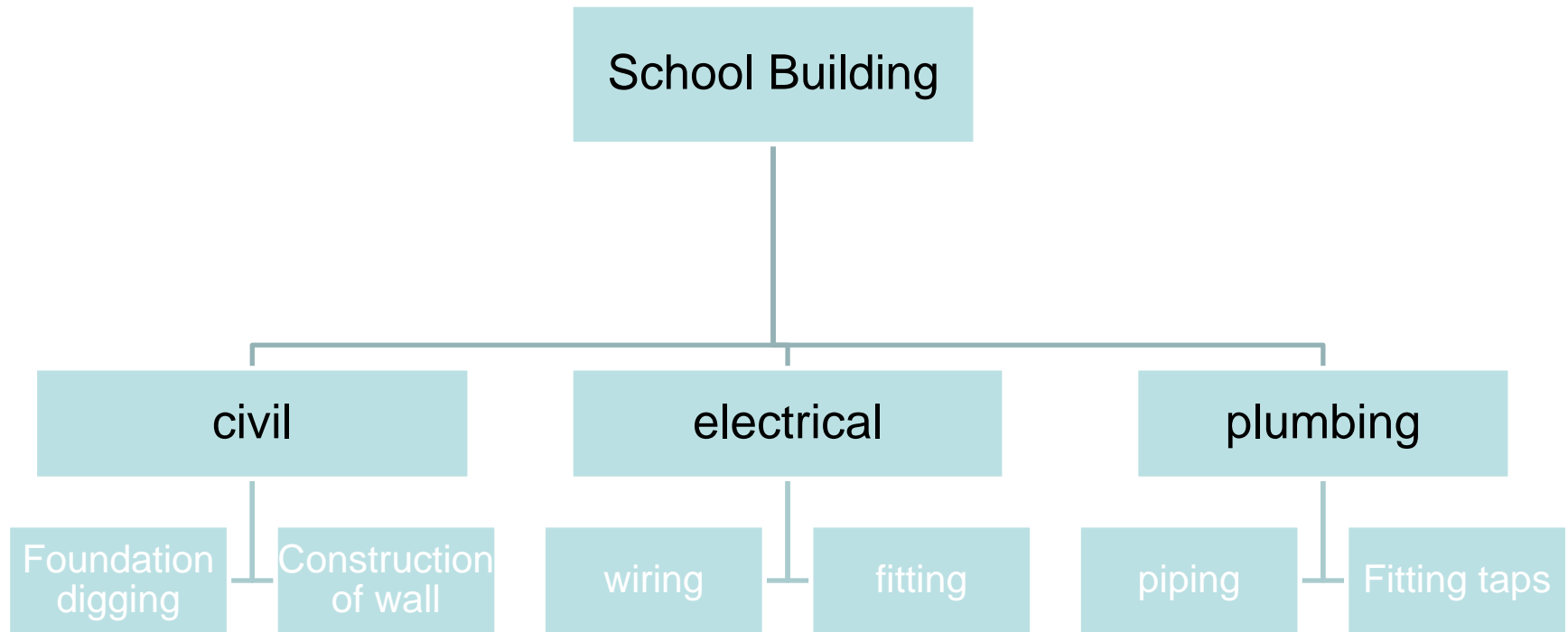
Sequencing Techniques

The Sequencing Techniques offers solutions to optimisation of project time.

Work Breakdown Structure (WBS)

- WBS is a hierarchical structure to logically sub-divide all the work elements of the project into graphical presentation.
- A project can be logically sub-divided by project phases, location, tasks and time etc.
- This is also called organisation breakdown structure.

Work Breakdown Structure



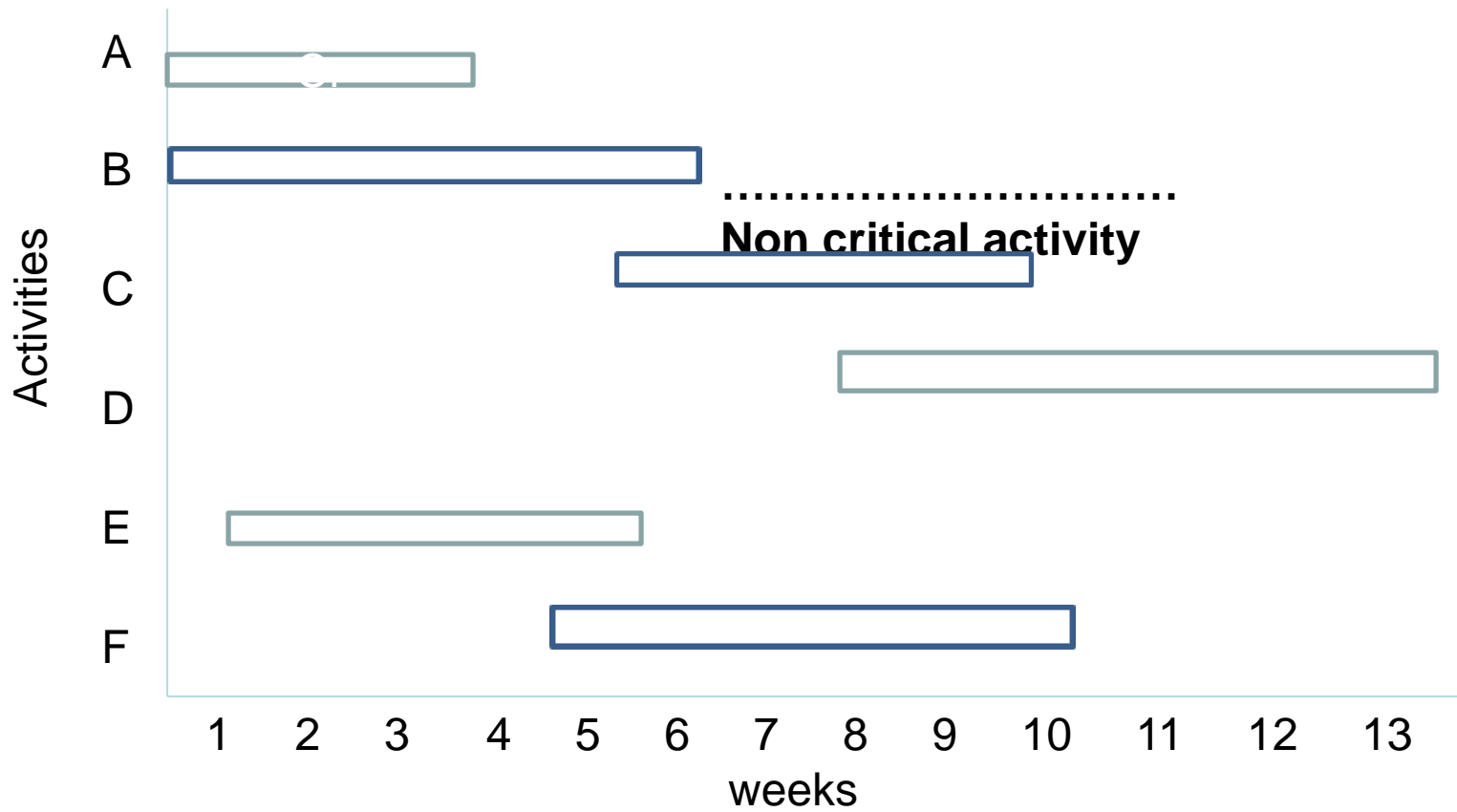
Advantages of WBS

1. provide clear view of the project.
2. helps to develop a complete lists of activities of the project.
3. helps to estimate the budget for the project.

Gantt Chart

- It is a pictorial representation which shows the various activities involved in a project. It was developed by Henry L. Gantt
- One of the useful method of presenting project activity with time duration
- The Gantt Chart help us in time scale planning and sequencing of tasks in a visual form that can be follow easily by the project manager.

Gantt Chart



Network Techniques

Network techniques are useful in reducing time overruns and cost overruns of the project

There are basically two methods in network technique of the project scheduling

1.Critical Path Method (CPM)

2.Program Evaluation and Review Technique (PERT)

•CPM was developed by Morgan R. Walker and James E. Kelly in 1957 and PERT was developed by the US Navy in 1958.

1. Critical Path Method

1. The CP is the sequence of activities between a project's starting and completion time that Network diagram helps to identify critical and non-critical activities of the project.
2. CPM uses **a deterministic approach** which is useful for the project whose time duration can be predicted. more accurately.
3. It helps to know the duration of the project and its activities.
4. It is the longest path of the project.
5. An activity is any identifiable work that has a beginning and an end. It consumes time human resources, materials and money eg Construction of walls, roof etc.

- An **Event** (also called node) is the beginning or end of an activity. It represent a specific point in time
- **Slack time of** an event is the difference between the latest finish time and the earliest start time of that event.
- **Float time** is the free time available for an activity.

There are four possible activities:

1. Preceding activity
2. Succeeding activity
3. Concurrent activities
4. Dummy activity

Program Evaluation and Review Technique (PERT)

- **PERT uses a probabilistic approach**
- Expected time of activity in PERT = $\frac{a+4m+b}{6}$

Where,

a = most optimistic (shortest) time

m = most likely time

b = pessimistic (longest) time

5. Planning and Development Problems in Nepal

- Lack of clear vision
- Lack of consistency
- Planning is a multi-dimensional exercise but not adequately considered while formulating plan.
- Diluted focus and shifting emphasis
- Poor and inadequate data and information base
- High dependency on agriculture
- Lack of industrial development

- Lack of adequate participation and ownership
- Lack of stability in institutions
- Lacking of real needs, potentials and approaches
- Difficulty in resource mobilization
- Less attention to implementation
- Lack of socio-economic infrastructures
- Less emphasis on technological development
- Less ownership and coordination among ministries
- Weak M & E

6. Issues and Challenges of Development in Nepal:

Issues

- **Low economic growth**
- **Poverty and backwardness:**
- **Low per capita income and employment opportunities:**
- **High inflation**
- **High inequality:**
- **Low resource mobilization and its inefficient and ineffective Use:**
- **Low capital formation**
- **Large trade gap:**

- **High use of remittances in consumption:**
- Low human development
- **High dependency on foreign assistance for development:**
- **Centralized governance system and lack of good governance**
- **Under utilization of human resources:**
- **Regional, Gender Imbalance and Exclusion:.**
- Gender mainstreaming

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Challenges of Economic Development in Nepal:

- Reducing poverty
- Attaining inclusive high growth and development
- Controlling inflation
- Improving the living standard of the people
- Improving governance system
- Improving service delivery system
- Increasing resource mobilization and its utilization
- Reducing income inequality
- Improving human development index

- Reducing external dependency for development
- Attaining SDGs
- Enhancing the level of income of the people by generating adequate employment opportunities.
- Improving human resource management
- Increasing export trade and reducing trade deficit
- Protecting environment and addressing climate change issue
- Managing disaster
- Ensuring the returns of development to the regions, communities and groups those are left behind in the process of development.

- Managing the increasing population appropriately.
- Increasing investment in the priority sectors by creating investment-friendly environment.
- Mitigating the impact and potential impacts from the global economic recession.
- Using remittances in the productive sectors of the economy.
- Strengthening the democratic system
- Providing sufficient and reliable energy supply
- Availing local cooperation in infrastructure development.

7. Problems of Plan Formulation and Implementation in Nepal

- Lack of Perspective Plan
- Lack of consistency
- Formulation of highly ambitious plan
- Lacks political stability and commitment
- Planning is a multi-dimensional exercise but not adequately considered while formulating plan.
- Diluted focus and shifting emphasis
- Poor and inadequate data and information base

- Lack of adequate participation and ownership
- Lack of stability in institutions
- Lacking of real needs, potentials and approaches
- Difficulty in resource mobilization
- Less attention to implementation
- Lack on quality at entry mechanism
- Less ownership and coordination among ministries
- Weak M & E mechanism

- Sustainable development
- Inclusion
- Good governance
- Growth with equity
- PPP

9. Conclusion and Suggestions

- More participatory plan exercise is required.
- Plan should be based on more realistic resource forecast.
- Political stability is essential for successful implementation of plan.
- Political commitment should be ensured for effective implementation of Plan
- Plan should be based on national implementation capacity rather than needs

- Need to adopt project screening mechanism in NPC and sector specific screening criteria.
- Project bank should be established.
- Implementation mechanism need to be strengthened by establishing quality-at-entry mechanism.
- M & E should be strengthened and quality of supervision should be improved.
- Establishing provincial and strengthening local level planning mechanism

Thank You