



Roads Board Nepal

Annual Progress Report 2007

FY 063/064

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Message

Without cost-effective road transportation system, it is not only difficult to move goods, products, services and people but also very expensive. In absence of good road transport service provided to the people through effectively managed network, other development activities suffer too, having final implication in the country's economy. Roads Board Nepal [RBN] has been established as provisioned in the Roads Board Act 2002 in order to ensure better road asset management and stable fund required for it. Primary objective of the RBN is *to create a stable fund through involving road users, channel it to the road sector to implement the Integrated Annual Plan [IAP] and other road development and research*. This is compatible with main objective of road sector. The RBN is gradually achieving same results which have been achieved in other developing countries since its establishment five years ago.

As a routine practice intended towards achieving transparency and to inform the general public about its activity, RBN is publishing its Annual Report every year. This Report covers the period of FY 2063/64. It is being unveiled on the occasion of its Fifth Anniversary. I take this opportunity to express my best wishes to the Roads Board Nepal, its stakeholders and road users [customers] on the occasion of its fifth anniversary. I also would like to congratulate the management team for regularly bringing out the Annual Reports.

Road Asset in Nepal accounts for nearly 100 billion NRs, which has to be preserved. This needs implementation of planned road maintenance management comprising routine, recurrent, periodic and few other maintenance activities. At present, with the available resource, the condition of road network is not as it should have been. Higher budget allocation and improved management are needed to keep the network in better condition. Road Board is currently working towards meeting these challenges and is going through a process of reform. I hope with those reforms in place, it will become more successful in carrying out its responsibilities.

Lastly, on behalf on the Ministry of Physical Planning and Works, I would like to reiterate Government of Nepal's commitment towards progressive improvement of the RBN and the road transport sector service provision to the people.

Purna Kadariya
Chairperson, Roads Board Nepal and
Secretary, Ministry of Physical Planning and Works

Few Words

Roads Board Nepal [RBN] has been established under the Roads Board Act 2002. Its objective is: “To create a stable fund through involving road users, channel it to the road sector to implement the integrated annual plan [IAP] and other road development and research activities”. As the Roads Board Nepal aspires to transform itself into a second generation road fund, its objectives rather seems narrow in present context. RBN should aim at wider and overall road asset management. Essentially, RBN is created to provide fund to manage safe, reliable, comfortable and cost effective road transport service to the road users. RBN has completed its five years in existence. In general, its performance is gradually improving, though its storming stage is yet not over. RBN basic principle lies in the notion of “Fee for Service” and it is trying its best to provide better road services to road users – its ultimate customers.

RBN, during its operation in last five years, has been putting efforts to carry out its functions of collecting road user fees and managing the road fund by prioritizing need based fund allocations to Road Agencies [RA] for effective road maintenance works. At the same time, it encountered multitude of problems and challenges. However, visible value addition has been identified in road network after establishment of the RBN. The level of achievement differs from network to network because of the level of institutional capacity of the agencies owning these networks. On Strategic Road Network [SRN], routine and recurrent maintenance are established according to planned road maintenance management system. Planning is carried out based on objective data to the possible extent. As RBN releases funds based on progress, reporting is improving. In Local Road Network [LRN], RBN input has been instrumental in raising adequate awareness to establish maintenance culture, which was absent earlier. The noteworthy achievement has been the increase in fuel levy authorized by the government in its Budget Speech for FY 20064/065. Future achievement, however, depends upon how present challenges are transformed into opportunities. RBN is moving in right direction contributing towards the road asset management in Nepal. It aims to protect the interest of customers who willingly pay users charges for better road service.

RBN makes its activity accessible to general public by providing information in its website. In an attempt towards maintaining transparency, RBN is publishing its Annual Report for last three years. This Annual Report covers the period of Fiscal Year 2063/064. The achievement in this FY is more eminent in comparison to previous fiscal years. Yet, there is scope for improvement. Main improvements required are; a) to make the RBN more autonomous and self sufficient and b) to increase RBN capability to provide need based maintenance fund and to monitor the maintenance works carried out by road agencies. In prevailing scenario of demand exceeding supply, work is underway to establish demand prioritization based on traffic data, road condition and maintenance category of the road. As the performance of RBN depends on the performance of road agencies, their institutional capacity also needs strengthening.

Roads Board Nepal is confident in improving itself for attainment of set goal with the support from policy making level, concerned line agencies, implementing agencies, stakeholders and customers. As there always remains room for improvement, valuable suggestions for future improvements in reporting are most welcome. We believe on achieving objective with “learning by doing” model of modern day management.

Dipak Nath Chalise
Executive Director
Roads Board Nepal

Abbreviations

AADT	Annual Average Daily Traffic
ARMP	Annual Road Maintenance Plan
DDC	District Development Committees
DoLIDAR	Department of Local Infrastructure Development and Agricultural Roads
DOR	Department of Road
DRO	Division Road Office
F/Y	Fiscal Year
GoN	Government of Nepal
IARMP	Integrated Annual Road Maintenance Plan
IAP	Integrated Annual Plan
IEC	Informative, Educative and Communicative
LRN	Local Road Network
MC	Municipalities Committees
MRM	Mahendra Raj Marga
MoF	Ministry of Finance
MPPW	Ministry of Physical Planning and Work
NPC	National Planning Commission
PRM	Prithivi Raj Marga
RA	Road Agency
RBN	Roads Board Nepal
RFP	Request for Proposal
RMDP	Roads Maintenance Development Project
RUSS	Road User's Satisfaction Survey
SRN	Strategic Road Network
WB	World Bank

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1. INTRODUCTION

It was Identified already during late Seventies that many developing countries faced the problem of inability in maintaining their road network. This problem attracted the attention of Donor communities, where prevailing road maintenance crisis was discussed and analyzed in international level. However, its real magnitude and the scale to which deterioration had progressed in the developing countries was only exposed in 1988 through World Bank paper titled - Road Deterioration in Developing Countries – Causes and Remedies. Apart from providing a quantitative indication of the extent of the problem through the developing world, this paper gave important clues as to the principal causes of road deterioration together with the reasons the problem had become so widespread. It highlighted that, around 15 percent of the capital invested in main roads eroded for the lack of maintenance due to inadequate funding in 85 countries. This created a need to rehabilitate and reconstruct a quarter of the main road networks at a cost of about \$45 billion world-wide, while such investments could have been avoided by spending \$12 billion on maintenance. For every new kilometer that was built, three kilometers of existing roads would essentially disappear or be no longer operable due to lack of maintenance. The cost of road transport increases exponentially with poor roads, in such a way that for each dollar not allocated to road maintenance, vehicle operating costs increase by 2 to 3 dollars.

Since then, road projects evolved in scope and forms. Despite the policy shift, the need to ensure adequate financing was rarely accomplished because asking for additional funds through national budgets could be done at the expense of other sectors. Progress achieved over the years was erratic, and there was little evidence that governments in most countries had sufficient scope in their budgets to increase and sustain road maintenance. As a result, a high proportion of roads remained in poor condition. It was recognized that tackling the maintenance crisis effectively would require addressing four fronts:

Ownership: The idea of ownership is to empower road users and to encourage them to take an interest in the management of roads. The creation of a roads board is an essential component of this concept.

Funding: The objective is to secure stable and adequate flows of funds. Three key questions are relevant: (i) what instruments are available for charging road users, (ii) which principles should guide pricing and cost recovery policies, and (iii) how should the resulting revenues be managed ?

Responsibility: The creation of an organizational structure for the management of the different components of the road network

Management: The creation of a more business-like road agency, with strong financial management and accountability.

The main focus of this approach was to bring roads into the marketplace, putting them on a fee-for-service approach and managing road like a business. Road maintenance finance can be best met by resorting to two approaches that can be labeled as the “budget” approach and the “road fund” approach.

The Budget approach is traditional and used worldwide. It is based on the principles that Road expenditures including maintenance are considered to be public expenditures that need to be covered by the national budget. The Road Fund approach is based on the principles that road users should pay for the cost of the roads maintenance. This approach requires the creation of a road fund that generally becomes the main source of finance of road maintenance and other road expenditures. A key reason for the setting up of a road fund is that road maintenance is not a politically attractive use of government revenues, even though road maintenance yields the highest economic return. Users pay “user charges” mainly in the form of a gasoline levy. This approach can better be described as “the commercial approach.” The road funds meeting the criteria for this approach are known as “Second Generation” road funds.

The road fund approach appears to provide a better guarantee that funding will be assigned to road maintenance as a priority. However, the degree of certainty of sufficient funding will depend significantly on the extent of autonomy of the road fund, which practically never is absolute. It is accepted that the requirements for successful commercialization of road management are:

- ◆ There must be a clear indication of what constitutes a charge for roads, with charges being specified separately from general taxation;
- ◆ Charges for road use must be directly transferred to the road fund;
- ◆ The level of user charges and expenditures must be linked;
- ◆ Accounts of the road agency must be made transparent;
- ◆ The level of charges and the maintenance and operational expenditures should be determined by representatives of both users and of the groups affected by the roads.

Keeping this in background, Roads Board Nepal (RBN) was established under the Road Board Act 2058 (2002) for improving road asset management through efficient collection of road user fees and manage this fund to achieve planned road maintenance

management towards more effective road transport service to the road users. Road Board's objectives as defined in the prevailing Roads Board Act 2058 (2002) is to create a stable fund through involving road users, channel it to the road sector to implement the Integrated Annual Plan (IAP) and other road development and research activities.

RBN started functioning from 2059-9-15 BS officially; however, its development activities started picking up only after it received first cycle of resources from the Fiscal Year 060/061. Now the RBN has completed its fifth year of existence and has embarked on its sixth year of operation.

RBN is striving hard to deliver its outlined job of fund collection, its management and channeling it to road agencies and to overview the jobs carried out by the agencies. RBN has been efficiently and effectively delivering its mandated services to road agencies, however, based on the experience accrued so far a few short falls have also been identified. Recognizing the short falls as challenges, the main effort now ; to transform these challenges into opportunities. Time has come now that RBN has to focus on collection of data, transform it to useful information and use to facilitate rational and objective decisions. Further, prioritization of fund allocation in more beneficial maintenance activities in important roads and towards better implementation, monitoring and evaluation of the works is the call of the day.

Strategically, the mission of RBN is to establish itself as a competent funding agency for road maintenance in Nepal and become an exemplary institution in the region. It has given more specificity to implement control measure in order to establish enhanced management practices of timely planning, implementing and reporting at the RAs for better outcome.

In its fifth year of operation, it has come up with improvement in fund allocation, operation, monitoring of works carried out at RAs. The partnership with the RAs is improving. The attempt to establish a corporate culture in line of thinking of managing roads like business is grooming in RBN Secretariat. RBN's effort to create awareness amongst the stakeholders about the need of road maintenance is an ongoing process.

The main Functions, Duties, and Authorities of the Board as translated from Road Board Act 2058 (2002) are as follows:

- (a) To cause to carry out repair and maintenance of the road,
- (b) To collect the toll additional charges leviable for the use of roads and to recover penalties under this Act.
- (c) To recommend to His Majesty's Government on the matters of

fixation of the road toll or fuel levy to be collected under this Act, additional charges and fines to be collected for plying the motor vehicle contravening to the specified standards.

- (d) To make a suggestion to His Majesty's Government on fixation of toll.
- (e) To formulate integrated annual plan for repair and maintenance of the road.
- (f) To provide funds to the road related agency for the repair and maintenance of the road.
- (g) To disburse the toll amount at the prescribed rate to repair and maintenance of such a road from where such amount was collected as toll under this Act.
- (h) To cause to reconstruct, rehabilitate, and upgrade the road as prescribed.
- (i) To prepare, in order to minimize the expenditures on repair and maintenance of roads, an action plan related thereto.
- (j) To cause to safeguard the road having selected it on the prescribed basis.
- (k) To bear the expenditure required by His Majesty's Government, pursuant to agreement concluded between His Majesty's Government and an agency or organization with a provision that such an agency or organization and His Majesty's Government would bear the funds required for the repair and maintenance of the road.
- (l) To make effective the repair and maintenance works of the road.
- (m) To approve annual budget and program of the Board.
- (n) To do or cause to do such other works as may be prescribed.

(We all know that HMG has been renamed as GoN at present)

Section six (6) of the Roads Board Act clearly defines the sources of the Road Fund to be accrued to the Roads Board Nepal and they are as follows:

- 1 Government may by a notification published in the Nepal Gazette levy such toll as may be prescribed in such a notification on the motor vehicle making use of the road prescribed in the said notification.
- 2 The Board shall collect or cause to collect the following toll prescribed by Government by a notification published in the Nepal Gazette.
 - i. Toll for using the road.

- ii. Toll levied on the fuel to be used by the motor vehicle
- iii. Toll levied on vehicle having been registered.
- iv. Toll levied in the motor vehicle having been registered abroad entering into the kingdom of Nepal.

Out of above mentioned, the sources of revenue for RBN that have been currently availed are:

- ◆ Fuel levy on diesel and petrol for vehicles,
- ◆ Road user taxes, and
- ◆ Vehicle registration fee.

Other possible resources that are yet to be tapped are:

- ◆ Fee for vehicles registered abroad but used in Nepal,
- ◆ Subsidies and grant from HMG and support from donors and internationals, if any.

Fuel levy and vehicle registration taxes are collected through the concerned agencies such as Nepal Oil Corporation, Custom Department and the Department of Transport Management and are channeled to the Ministry of Finance. The collected fund is reflected in the Red Book and disbursed to RBN through the Ministry of Physical Planning and Works. However, this model is not complying with the principles of second generation Road Fund, in which the charges should have been directly received by RBN. The toll charges that are collected at three road sections are transferred directly to RBN account. The toll charges are collected through an open bid system.

Seventy percent of Roads Board's revenue is then mobilized through Department of Roads (DOR) for maintenance of Strategic Road Network and thirty percent through DoLIDAR for Local Road Networks. Concerned Municipalities and District Development Committees receive their share of fund for Urban and District Roads by putting up a counterpart fund of 30% and 20% respectively. The fund release to DOR and DoLIDAR are made according to the approved Integrated Annual Plan (IAP) approved by the Board.

2. ADMINISTRATIVE REPORT

Administration in RBN had been relatively smooth in the FY 2063/64 as compared to previous years, except for the setbacks caused through frequent turnover of employees. Altogether in this FY eight Executive Committee's Meetings were held and forty-six decisions were made. The members of Executive Committee of RBN till date is attached in Annex-1

On the part of Human Resource Development, employees have participated in various trainings, workshops, seminar and conventions. Various administrative activities in FY 063/64 have been dealt below.

2.1 Human Resource Management

Managing Human Resources in an appropriate way has been a greater challenge in the modern management practice. Despite various constraints in retaining the employees to their full term with limited incentives and motivational factors, RBN, so far, has been managing to perform satisfactorily. Brief glimpses of HRM activities in the FY 063/64 are outlined below. The list of staff members of RBN are attached in Annex-2.

2.1.1 Staff Recruitment

Recruitment of human resources in RBN has been an ongoing process since its establishment. Although RBN had recruited all the vacant positions in stipulated time, it has not been successful in retaining them till their full term. As per the feedback received from the outgoing employees, some of the major reasons for frequent turnover are: lack of attractive remuneration & incentives, limited retention period and absence of career development opportunities. Though RBN feels pride in declaring itself a slim secretariat, but frequent turnover of employees tends to create adverse effect in its performance. Despite all these constraints, RBN has managed to perform the necessary task to a satisfactory level with the help of its hardworking and cohesive working team so far.

The lists of employees, who have resigned in the FY 2063/64, are as follows:

SN	Name of the employee	Post held in RBN	Resigned Date
1.	Mr. Rajesh Kumar Das	Sr. Engineer	2063/09/04
2.	Mr. Ranjeet Kumar Jha	Engineer	2063/09/19
3.	Mr. Ashish Mani Bhandari	Engineer	2063/09/20
4.	Mr. Shiva Parajuli	Assistant Accountant	2064/02/07

Realizing the rapid turnover of employees, RBN has recently recommended an improved facility package, but is yet to be endorsed by the Government of Nepal. RBN looks forward for the positive outcome soon.

2.1.2 Human Resource Development

In FY 2063/64, RBN took few initiatives towards development of its human resources through participation at various trainings and workshops.

List of employees' participation in Training/Workshop are as below:

SN	Name of Personnel	Name of Training/ Workshop	Remarks	Date
1	Dipak Nath Chalise	ARMP Workshop at DoR	Participated	2062/09/05
2	Ramesh Nath Bastola	ARMP Workshop at DoR MS-Computer Aided Project Planning	Participated Training	2062/09/05 2064/03/25-3
3	Sudarshan Lal Shrestha	ARMP Workshop at DoR MS-Computer Aided Project Planning	Participated Training	2062/09/05 2064/03/25-3
4	Sagar Gyawali	ARMP Workshop at DoR MS-Computer Aided Project Planning	Participated Training	2062/09/05 2064/03/25-3
5	Kiran Shrestha	ARMP Workshop at DoR MS-Computer Aided Project Planning	Participated Training	2062/09/05 2064/03/25-3
6	Chetna Thapa	MS-Computer Aided Project Planning	Training	2064/03/25-3
7	Rakesh Shah	MS-Computer Aided Project Planning	Training	2064/03/25-3
8	Prem Prasad Itne	MS-Computer Aided Project Planning	Training	2064/03/25-3
9	Tek Raj Aryal	VAT and TDS system in Nepal Training on Income Tax and VAT	Training	2063/07/19-21 2063/12/01-21
10	Shiva Parajuli	Training for Ffinancial Administration	Training	2063/07/12-08/15 2063/12/01-21

2.1.3 Workshops/Seminars/Conventions

Officials of RBN have participated in various workshops and seminars and presented their views. Executive Director and Director (Admin and Account) have participated in “Sector wise Disaster Management” organized by MPPW, MHA and UNDP. Executive Director also had participated in workshop organized by RSDP on 2064/01/07-11. Technical Officers participated in International Conference on “Management of water, Waste water and environment: Challenges for developing countries” on 2063/05/28-2063/05/30, Technical Officers also participated in International Conference on “Geo-disaster, Infrastructure Management on 2063/05/28-2063/05/30. All the Engineers of RBN participated in the 10th National Convention of Nepal Engineers’ Association on 2063/12/28-2063/12/30.

2.2 Annual Day Celebration

RBN celebrated its Fourth Anniversary by unveiling its Annual Report FY 2062/63 by the Hon. Minister Gopal Man Shrestha on 1st March 2007. The main objective of the ceremony was to acquaint the dignitaries, guests and participants with RBN’s plan, programs and progress. About hundred participants and guests have attended the ceremony. Honorable Minister Gopal Man Shrestha was the chief guest of the program. The Vice Chairperson of National Planning Commission Hon. Jagdish Chadra Pokhrel was the “Guest of Honor”. Member of National Planning Commission Hon. Rama Kant Gaura and the Chairperson of RBN Mr. Narayan Prasad Silwal were also present on the occasion. The Executive Director of RBN Mr. Dipak Nath Chalise welcomed all the guests and participants. Honorable Minister Mr Gopal Man Shrestha unveiled the Annual Report of RBN for the FY 2062/63 and delivered his speech. Similarly Hon. Rama Kant Gaura and the Chairperson of RBN Mr. Narayan Prasad Silwal also expressed their opinion. They sincerely hoped that RBN will be able to address the maintenance need of roads and provide comfort to its road users in the coming years. The Annual Report of RBN for the FY 2062/63 was distributed to all the participants, including the press.

2.3 RBN in Media

Since RBN has felt that its initiatives and activities should be disseminated to road users in a wider perspective, it had decided to air its details through the popular media, i.e., Radio and Television. For this purpose in the FY 2063/64, RBN has aired Roads Board Radio program through Radio Nepal every fortnight on Saturday at 8:45 P.M. from 2064/1/22 to 2064/6/26. A total of twelve episodes were aired during that period. The program had created enthusiasm among the listeners; as a result numerous letters from people of various walks of life were received. The listeners also have suggested providing more information about road maintenance program and were looking forward for continuation of such program in future too.

Similarly, in the FY 2063/64, five episodes of TV programs highlighting RBN activities and its performances were telecasted through Nepal Television from 2064/02/11 to 2064/03/29. The programs were generally focused on the repair of road works, activities of length workers, interviews from the officials of concerning road agencies and comments from the common road users. It had also highlighted the maintenance activities in the strategic road networks.

RBN also has developed one documentary named “*Sadak Marmat Tatha Sambharka Lagi Sadak Board Nepal*” (Roads Board Nepal for the maintenance of road) in 2063/11/13. The main objective of the documentary is to disseminate the activities of RBN and to collect people’s view regarding the maintenance of roads since last few years. It has incorporated the views of consumers, and the concerned authorities of RAs. It has covered the Road Agencies from Eastern Development Region, Central Development Region and Western Development Regions

3 FUND MANAGEMENT IN RBN

The sources of fund as listed in the Roads Board Act 2058 have been road user taxes, fuel levy for diesel and petrol used for vehicles, vehicle registration fee, fee for use in Nepal for vehicles registered abroad, penalties for non-complier to the rules under this act, any subsidy and grant from Government of Nepal, any support from donors and international agencies. But RBN has been receiving fund from only three sources they are: road user charges, fuel levy on diesel and petrol and vehicle registration fee. RBN receives its annual budget through fuel levy and vehicle registration charge, which is reflected in the Red Book under the budget head 48.4.695. RBN also collects road user fee from the three road sections of Strategic Road Network i. e. a) Hetauda-Narayanghat Road Section of Mahendra Rajmarg, b) Narayanghat-Butuwal Road Section of Mahendra Rajmarg and c) Naubise-Mugling Road section of Prithivi Rajmarg.

3.1 Financial Report

In the FY 063/64, RBN received Rs.39,00,00,000/- from MOF through MPPW and the installments received were in the following manner.

SN	Allocated Fund For	Installments	Allocated Fund	Fund Received Date
A.	Development	First	Rs.62,603,440.00	2063/08/24
		Second	Rs.126,837,990.00	2063/09/14
		Third	Rs.191,226,570.00	2063/12/27
		Total: Rs.376,000,000.00		
B.	Operational	First	Rs.4,666,000.00	2063/08/24
		Second	Rs.4,666,000.00	2063/09/14
		Third	Rs.4,668,000.00	2063/12/27
		Total: Rs.14,000,000.00		

The graphical presentation of allocation and disbursement of FY 2063/2064 is presented in Annex-3 (a-j). Similarly gist of Financial Statement of FY 2063/2064 (Yet to be final audited) and allocation details of RAs are presented in Annex-4 and Annex-5 (a-c) respectively.

3.2 Toll Collection

RBN has been collecting road users' fee as toll from three major road sectors since couple of years; they are Hetauda-Narayanghat Road (MRM), Narayanghat-Mugling Road (MRM) and Naubise-Mugling Road (PRM). RBN had improved its tender documents by clarifying some clauses and simplifying the implementation process keeping in view its past experiences. After the approval of improved Bid documents, Bids were invited from the eligible bidders for the collection of road user fee from the three road sectors mentioned above through the National Daily newspaper in 2063/05/28. Due to non-responsiveness of the bidders, Executive committee decided to go for Re-Bidding. Notice was published again on 063/08/13 for the same contracts, but RBN received Bids for only two road sectors i.e., Naubise -Mugling and Heatuda- Narayanghat road section. After completing the necessary process, Tenders were awarded to Rabina Construction Pvt. Ltd for Naubise-Mugling Road Sector and Aashish Nirman Sewa for Hetauda-Narayanghat Road Sector, and both of them commenced collection from 2063/12/01 for one year. The contract amount for road sections Naubise –Mugling and Heatuda- Narayanghat are Rs. 3,06,75,880.00 and 2,06,05,040.00 respectively.

In case of Narayanghat-Butwal Road Section, no Bids were received till the last date for two consecutive times. Thus the Executive Committee of RBN decided to revise its estimate amount. For that purpose, “Manual traffic count and vehicle classification survey” for Butwal –Narayanghat Road Section” was done through outsourcing. MEH Consultant was hired to perform the particular task. The main purpose of the survey was to receive AADT value through traffic count. This survey was carried out to optimize the traffic data in Narayanghat-Butwal road section and revise the estimate for the same.

To date, road users' fee collection process has been very primitive, tedious, time consuming and causing discomfort to the road users. Despite limited experience in this type of activity, RBN has initiated the improvement process by hiring a consultant to do the detail design of Toll Plaza in the three road sections. RBN suggests that the new Toll plaza should have reasonable facilities and help improve the comfort of road users. For this purpose, suitable locations are to be identified, detailed design be prepared and cost estimate calculated. Recommendations on the modest mechanical infrastructure for effective and efficient flow of traffic along with the smooth toll collection process are sought. RBN aims at gradual improvement on the facilities of toll roads considering awareness level of road users and will educate them through effective means. Therefore an Expression of Interest was invited from eligible Consultants on 2063/10/16 for this purpose.

The three sections selected for Detailed Design and cost estimation of Toll Plaza are:

- a) Hetauda-Narayanghat Road Section of Mahendra Rajmarg
- b) Narayanghat-Butuwal Road Section of Mahendra Rajmarg
- c) Naubise-Mugling Road section of Prithivi Rajmarg

Ms. Full Bright Consultant Pvt. Ltd. with SILT Consultant Pvt. Ltd JV succeeded in acquiring the contract through competitive process.

4 TECHNICAL REPORT

On the technical part, FY 2063/64 seemed to be better with regards to increase in number of Road Agencies demanding resource from RBN and also increase in the amount of allocation. Although preparation and finalization of ARMP from local road agencies had been time consuming, but still most of them managed to get them approved at the end of the year. With continuous sensitizing effort of RBN to local road agencies, it has been expected that their reporting schedule will improve in the coming years. RBN has been striving hard to receive the required reporting, but keeping in view the nature of works and capability of Local Road Agencies, it is still premature to expect high level of efficiency. By saying so, RBN appreciates few Road Agencies, who have proved capable in complying the requirements and regard them exemplary for reference to other agencies. With regards to preparation of ARMP, many Local Road Agencies have been including rehabilitation and upgrading activities in their programs, which RBN is not in a position to accept keeping in view of its fund size, thus they had to be requested to include only the routine, recurrent and periodic maintenance. IAP for the FY 063/64 was approved in the later half of the year. Brief activities on planning, programming & budgeting and monitoring & evaluation are discussed below.

4.1 Planning, Programming and Budgeting

On its fifth year of operation, RBN has come up with refinement of the process in planning and programming. ARMP workshops carried out by DoR have helped to downsize the problems that appeared during preparation of IARMP. According to the IAP for FY 2063/64, fund allocated to SRN was Rs 33,25, 00,000/- and to LRN was Rs 14,25,00,000/-. These allocations were approved on 2063/05/16 by the 27th Executive Committee Meeting. Allocations were made to 52 DDCs and 46 MCPs in LRN and 25 DROs in SRN. The budget under different headings for SRN were approved: like Banepa-Sindhuli Project Rs. 2,663,790.00, Heavy Equipment (emergency) Rs. 3,000,000.00, Surkhet-Jumla road Rs. 1,373,630.00, Chourahawa Patalaiya road Rs. 3,700,000.00, Resealing training Rs 700,000.00 and for monitoring and evaluation Rs. 1,700,000.0.

In comparison to the last FY, RBN has managed to approve the IAP timely in this FY. In this regard DOR conducted ARMP workshops and submitted its IARMP. Multiple meetings and discussion were held with DOR on the process of finalization of IARMP. On the part of LRN, budget ceiling was communicated to Local Road Agencies through DOLIDAR and were asked to prepare ARMP as per schedule. Though, RBN had expected to receive the programs in time, it could not receive them as anticipated, but eventually most of them managed to get final approval.

4.2 Monitoring and Evaluation

RBN has experienced that the concept of carried over works of the approved program still exist among some road agencies. The conceptual clarity among the implementing level remains as a part of homework for RBN. RBN carried out few key monitoring works by its limited human resources. At the same time, it has also initiated monitoring works of RAs through outsourcing.

In house monitoring works by RBN employee are presented below:

SN	Date	Road Agencies Monitored by RBN		
		Municipalities	DDC	DOR/DRO
1.	2063/06/22		Bara	Palpa
2.	2063/06/30-01		Dhading	
3.	2063/06/24	Kalaiya		
4.	2063/07/29			Bharatpur, Hetauda
5.	2063/09/23-10/05	Bhimeshwor	Dolkha	Charikot
6.	2063/09/19-23		Pokhara SubMetro Kaski	
7.	2063/09/30-10/06			Doti Far Western and Mid Western Regional Road Directorate
8.	2063/09/11-17			Eastern Regional Road Directorate and its concerned DROs
9.	2063/09/19-23			Western Regional Road Directorate
10.	2064/02/10-12	Bharatpur	Chitawan	
11.	2064/01/07-11			Butawal
12.	2064/03/25-27			Palpa
13.	2064/01/07-11			Bharatpur
14.	2064/02/10-13			Hetauda

RBN called for Request for Proposal in 2063/10/16 for “Monitoring and Evaluation works for road maintenance works carried out by RAs with RBN funding.” The objective of outsourcing the consultant was to monitor and evaluate the ongoing road maintenance works carried out by different Road Agencies and provide suggestions and recommendations for better performance in future. RBN awarded the consultancy

service to East Consultant Pvt. Ltd to accomplish the above mentioned job. The contract amount was Rs. 7,34,500.00.

As per Terms of Reference, the consultant was required to cover 57 RAs, including 25 DROs, 16 DDCs and 16 Municipalities.

The table below shows the details of RAs that were to be monitored by the consultant.

S. No.	Description	R As	Name of RAs
1	Eastern Region	DRO	Ilam, Damak, Biratnagar, Dhankuta, Lahan
		DDC	Ilam, Morang, Dhankuta, Siraha
		Municipalities	Ilam, Damak, Biratnagar, Dhankuta,
2	Central Region	DRO	Charikot, Kathmandu, Lalitpur, Bhaktapur, Nuwakot, Bharatpur, Hetauda, Janakpur
		DDC	Dolakha, Kathmandu, Lalitpur, Bhaktapur, Nuwakot, Chitawan, Dhanusha
		Municipalities	Bhimeshwar, Kathmandu, Lalitpur, Hetauda, Janakpur
3	Western Region	DRO	Damauli, Pokhara, Palpa, Butwal, Shivpur
		DDC	Tanahu, Kaski
		Municipalities	Pokhara, Butwal
4	Mid and Far Western Region	DRO	Devasthan, Dang, Nepalgunj, Surkhet, Mahendranagar, Doti, Baitadi
		DDC	Dang, Banke, Kanchanpur
		Municipalities	Tribhubannagar, Mahendranagar, Nepalgunj, Birendranagar, Dipayal

5. ROAD USER SATISFACTION SURVEY

RBN has carried out a Road Users' Satisfaction Survey under Policy Component of RMDP (IDA Credit 3293/NEP.) in collaboration with DoR in 2006 with the objective of evaluating the satisfaction level of the road users. The survey was carried out by the local consultants- Ms Full Bright Consultancy Pvt. Ltd. and ITECO Consultancy Pvt. Ltd. (JV). It was the first of its kind in the country. The survey included roads from all development regions, ecological belts, road types and traffic bands. It reflects the users' perceptions on the site and has provided ample feedback for future improvement. The objectives of the study were to obtain road users' view, evaluate the performance of Road Agencies, document the views for a base line study for future comparison and present the findings of the survey to the decision makers in GON/related agencies and the general public. The scope of work included survey of 1000 km of selected lengths of Strategic, District and Urban roads through 40 service centers throughout the country by using the research tools such as structured interview, in-depth interview and Focused Group Discussion (FGD). The findings of the RUSS are widely distributed among the stakeholders and the concerned agencies. As a byproduct of this research, Informative Educative and Communicative (IEC) material was prepared and widely distributed. The executive summary of RUSS is attached in Annex-6. The IEC material is attached in Annex-7.

6. CONCLUSION

Activities carried out in various areas have been briefly dealt in following heads.

1. **Administrative Report,**
2. **Fund Management at the RBN,**
3. **Technical Report,**

It is considered worthwhile to mention at this juncture that a lot of work remains to a completed in order to establish Roads Board Nepal as a second generation road fund. The World Bank [WB], with its initiative, had held in establishment of RBN. It reviewed the functions of RBN during its two years of operation in January 2005 A.D. In this connection, WB provided its performance assessment note to the government with few recommendations. Regarding the implementation of the recommendation, the Act Amendment Bill has been prepared by MPPW and is in the process for approval by the Parliament.

The conceptual clarity of road fund among the RAs is yet to be improved. RBN has been making its effort to carry out its work through the Road Agencies. The progress made so far is satisfactory, but still there is room for improvement. RBN issues regarding its strengthening, institutionalizing and transforming it to a real second generation road Fund is getting adequate attention where it matters. It is anticipated that now these activities could be expedited and RBN could become more successful in carrying out its job in forthcoming years. RBN looks forward to deliver better service to the road users - its actual customers, within its capacity and in the prevailing environment.

Annex- 1

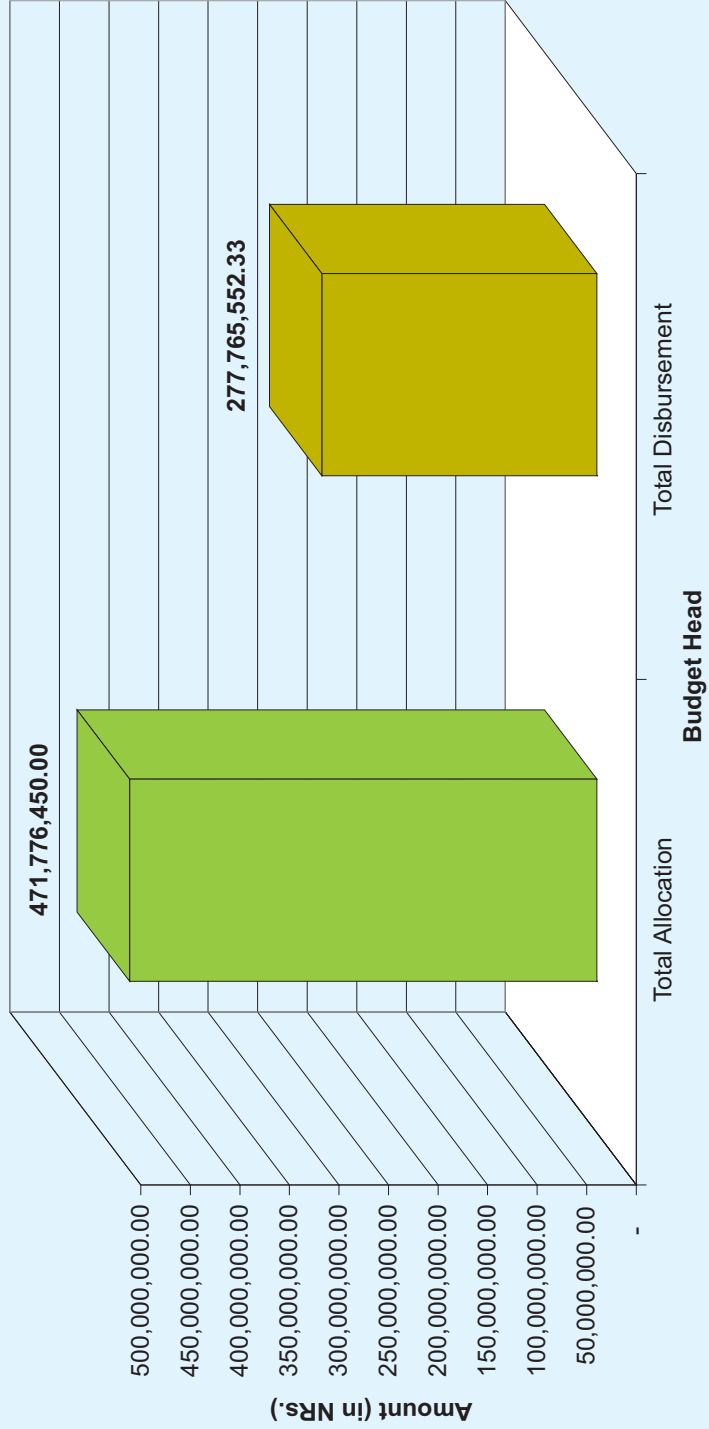
List of Executive Committee Members representing RBN since its formation

S.No.	Board Members	Remarks
1.	Chairman,Ministry of Physical Planning and Works	Mr. Bharati Sharma
	Mr. Mahendra Nath Aryal	
	Mr. Tirtha Raj Sharma	
	Mr. T.D. Niraula	
	Mr. Janak Raj Joshi	
	Mr. Narayan Prasad Silwal	
	Mr. Purna Prasad Kadaria	at present
2.	Member,Ministry of Finance	Mr. Shyam Prasad Mainali
	Mr. Krishna Babu Tiwari	
	Mr. Narendra Man Shrestha	
	Mr. Krishna Hari Baskota	
	Mr. Rana Bahadur Shrestha	at present
3.	Member,Ministry of Local Development	Mr. Kapil Dev Ghimire
	Mr. Padam Raj R+egmi	
	Mr. Hari Prasad Rimal	
	Mr. Ganga Dutta Awasti	at present
4.	Member,Ministry of Industry, Commerce & Supply	Mrs. Romi
	Manandhar	
	Mr. Niranjan Baral	
	Mr. Lilamani Poudyal	
	Mr. Tana Gautam	
	Mr. Bimal Wagle	

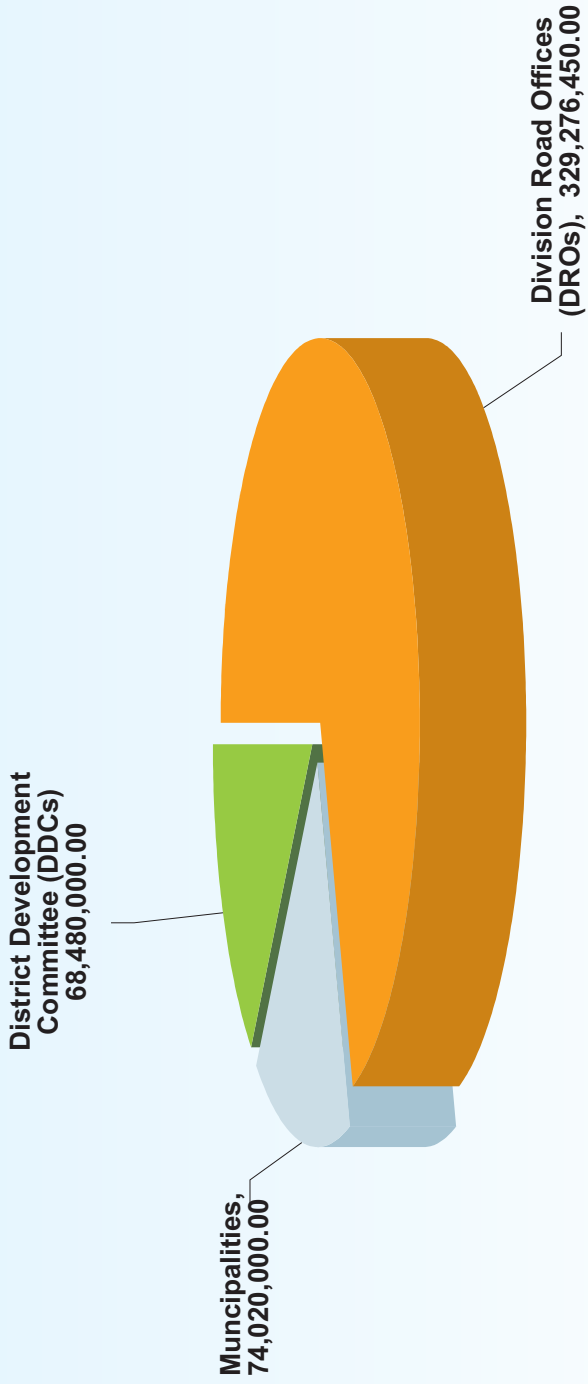
Staff Members of Roads Board Nepal

Name	Designation	Qualification
Dipak Nath Chalise	Executive Director	M.Sc. in Civil Engineering M.Sc. in Management & Implementation of Development Projects
Ramesh Nath Bastola	Director (Administration & Account)	M.B.A., M.P.A.
Sudarshan Lal Shrestha	Director (Technical)	M.Sc. in Highway Engineering
Sagar Gyawali	Sr. Engineer (Planning, Programming and Budgeting)	M.Sc. in Environmental Engineering B.E. in Civil Engineering
Kiran Shrestha	Sr. Engineer (Operating, Monitoring and Evaluation)	M.Sc. in Civil Engineering
Savari Kumari Shrestha	Sr. Account & Finance Officer	M.B.A.
Chetna Thapa	Sr. Officer (Administration & Public Relation)	MPA, MA, PG
Prem Prasad Itani	Engineer	M.Sc. in Geotechnical Engineering B.E. in Civil Engineering
Pradhumna Neupane	Assistant (Administration)	B.B.S.
Tek Raj Aryal	Assistant (Account & Finance)	M.B.S.
Salima Shakya	Assistant (Account & Finance)	M.B.S.
Nabin Shrestha	Receptionist cum Computer Operator	10+2
Nitesh Pokharel	Runner	S.L.C.
Nirmala Gangai	Peon	
Jaya Narayan Timilsina	Driver	

Total RBN Allocation & Disbursement for the F.Y. 2063/64



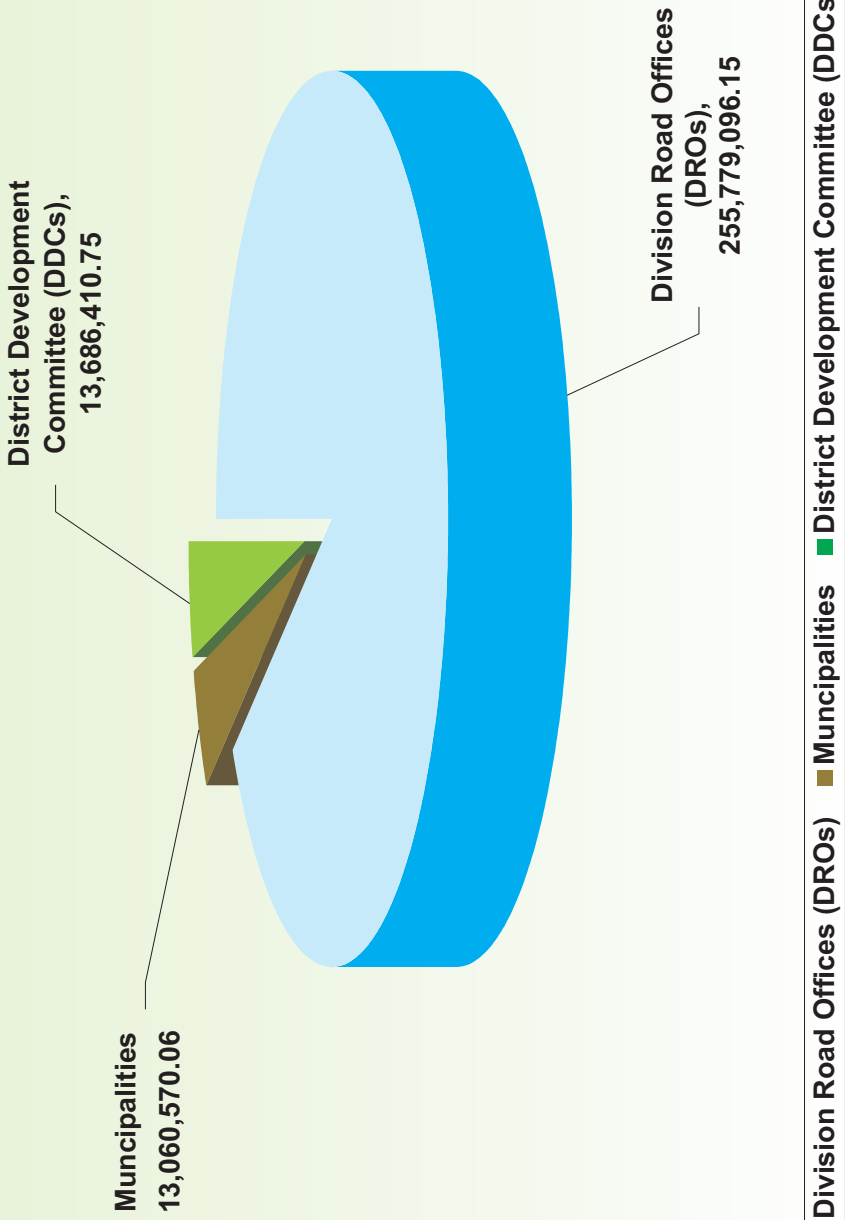
Total Budget Allocation for Road Agencies for the F.Y. 2063/64



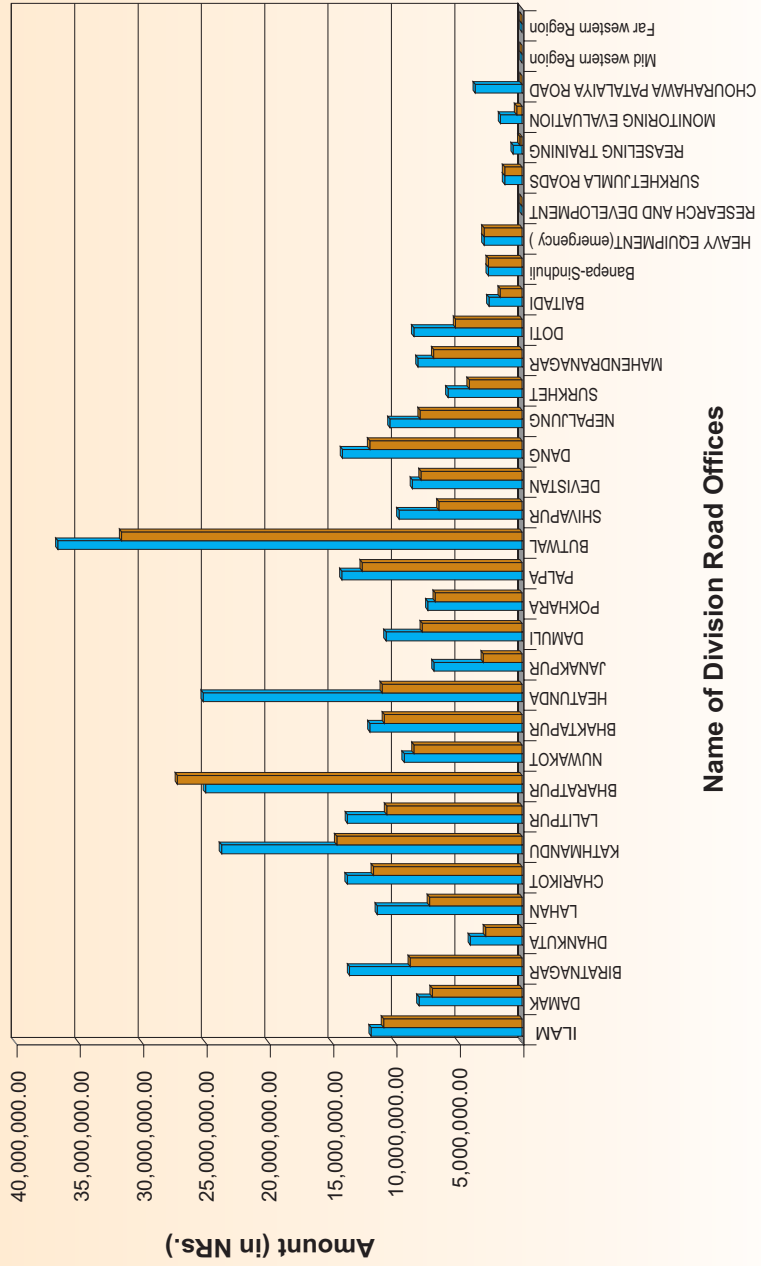
Total Budget Disbursed to Road Agencies

for the F.Y. 2063/64

Annex- 3 c



Total Budget Allocation & Disbursement to Division Road Offices (SRN) for the F.Y. 2063/64

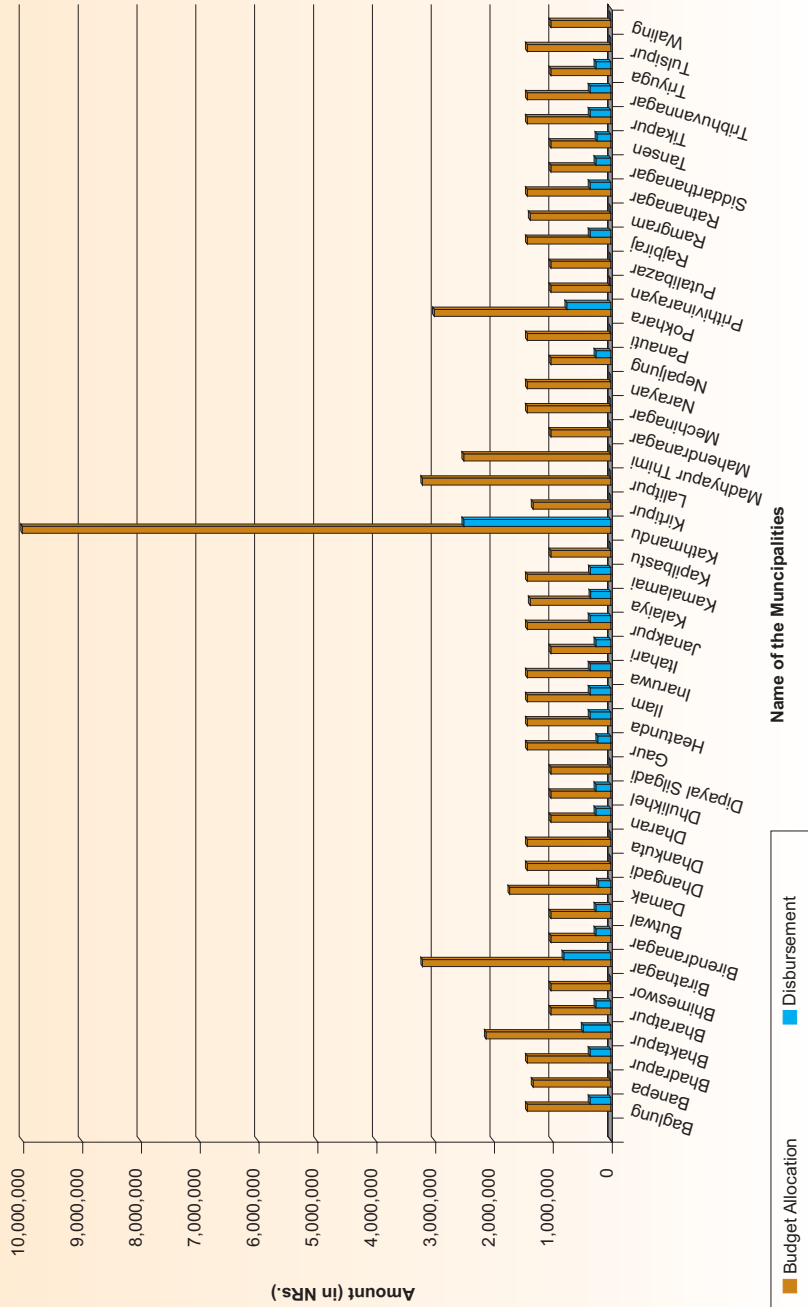


■ Total Budget Allocation

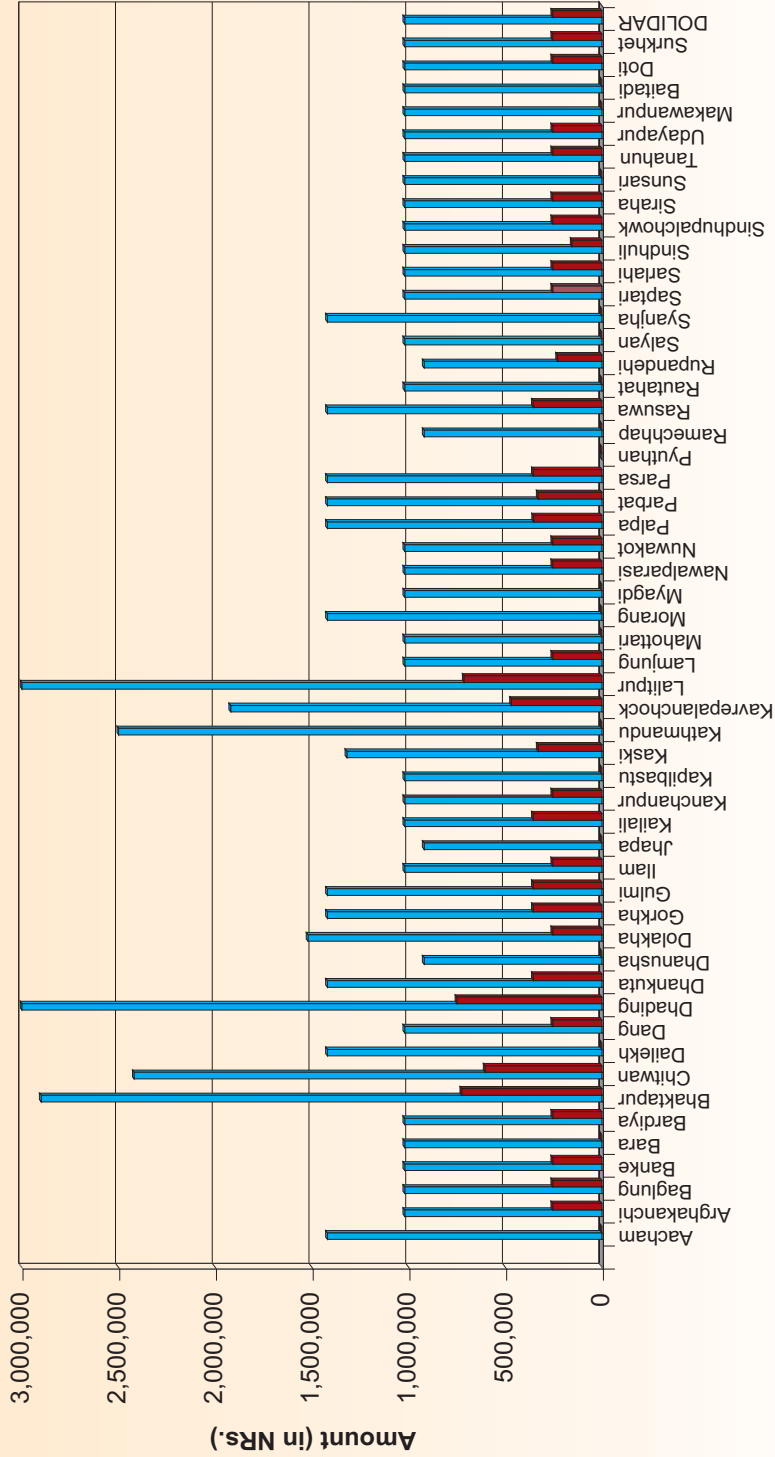
■ Total Disbursement

Name of Division Road Offices

Total Budget Allocation and Disbursement to Municipalities (LRN) for the F. Y. 2063-64



Annex- 3 f Total Budget Allocation & Disbursement to D.D.C. LRN for the F.Y. 2063-64

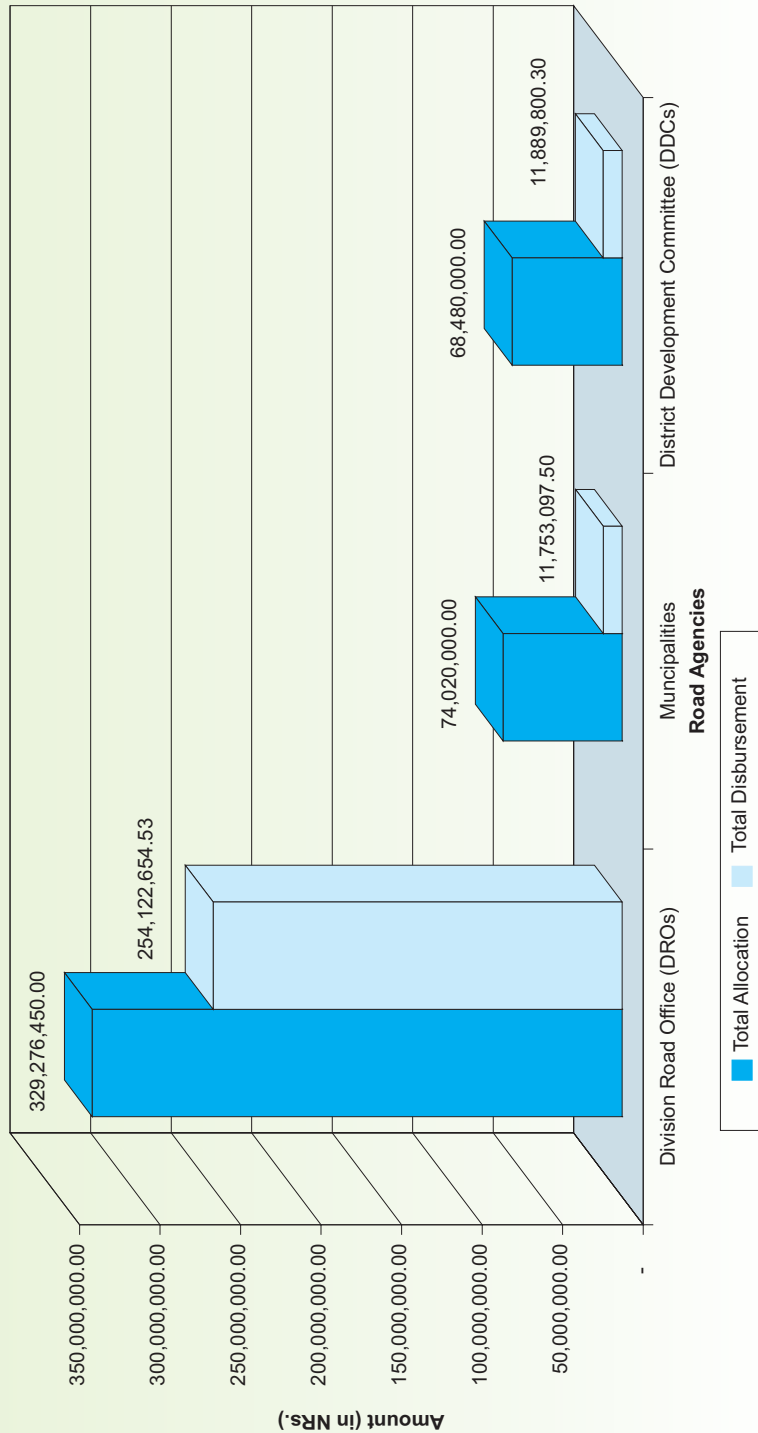


Name of the D.D.C.s

Budget Allocation Disbursement

Annex- 3g

Total RBN Allocation & Disbursement to Road Agencies for the F.Y. 2063/64



Annex 4

Statement of Income And Expenditure Fiscal Year 2063/064

S.N.	Particulars	Amount Rs (in thousand)
	Incomes	
1.	Funds Received From Ministry	390,000.00
2.	Toll Fund Received	43,712.00
3.	Interest Received From Banks	8,832.00
4.	Miscellaneous	258.00
	Total	442,802.00
	Expenses	
1.	Toll Collection	3,513.00
2.	Maintaince of Roads for SRN & LRN	320,011.00
3.	Operating Expenses RBN	8,446.00
	Total	331,970.00
	* Saving	110,832.00

** Saving- This Heading includes Amount Payable to Road Agencies as the Completion Period is end of Kartik 2064.*

Executive Summary

BACKGROUND

The Roads Board Nepal (RBN) carried out the Road Users' Satisfaction Survey (RUSS) in 2006 to evaluate road-users' satisfaction. This RUSS Study is the first study of this nature which includes roads from all development regions, ecological belts/terrains & road types and traffic bands and reflects users' perceptions on future policies to be followed for better roadmaintenances and provides feedback to agencies for improvement. This Study was conducted by the joint-venture of Full Bright Consultancy (Pvt.) Ltd. and ITECO Nepal (P.) Ltd. on behalf of the RBN.

OBJECTIVE, SCOPE OF WORK AND METHODOLOGY

The main objective of this Study was to identify issues and concerns raised by road-users toward road-management by line-agencies and related stakeholders.

The specific objectives of this Study were:

- 1 To elicit views on public perceptions of current sector outcomes, performance and polices of GON road line-agencies;
- 2 To document the views in a compressible format suitable for comparison over time; and
- 3 To present the findings of the survey to decision-makers in GON/related agencies and the general public. The scope of work included survey of 1000 km of selected lengths of Strategic, District and Urban roads through 40 service-centres throughout the country by means of Structured Interview (SI), In-depth Interview (IDI) and Focus Group Discussion (FDG). Five sets of SI (2386 samples), nine sets of IDI (153 samples) and three sets of FDG (20 samples) questionnaires were developed. These questionnaires were tested during the pilot survey and necessary changes were made accordingly.

SURVEY FINDINGS

Profile of respondents (age-group, education, income, etc), users travel pattern including vehicle operation cost (VOC), exposure to mass media (newspaper, media, TV etc) were collected during the Survey. The result of this Study shows that FM/radio was the mosteffective means of communication to effectively reach to various road-users.

To gauge the awareness level of motorised (MV) and non-motorised (NMV) -drivers, the Study inquired about their understanding of traffic rules. This Study found that very few NMVdrivers (11%) understand traffic signs adequately compared to MV drivers (20%-42%).

The survey responses show the need of traffic-sign related education. The survey interviewed road users to gather perceptions of different road users (e.g. MV/NMV drivers, road-neighbours, farmers and pedestrians). About 94% users felt that proper roadmaintenances can highly improve road-safety. Similarly, 91% user gave high importance in refraining from consuming alcohol while driving. Likewise, more than 75% pedestrians, roadneighbours and farmers claim factors such as drunk driving, over speed and poor shoulders are highly responsible in adding discomfort to them.

ROAD USERS' PERCEPTION

Road users' perceptions regarding various issues such as safety, reliability, comfortability, pollution, etc, related to the road-sector were inquired. All of these issues (safety, reliability, pollution, etc) are indicators reflecting the quality of services (or the "level-of-service") of the road or its services. The issues thought important for improving the quality of services from the road users' perception are as follows:

To improve road safety: All road-users interviewed accorded highest importance to aspects such as proper road repairs and maintenances (94%), safe-driving practices (refraining from drunk-driving- 91%) and provision of pedestrian-facilities (e.g. pedestrian-crossings and hightraffic roads -82%) to improve road safety.

To improve comfortability: Users awarded highest importance to availability of petrolpumps, workshops (74%); availability of resting-places (71%); good road-surface and roads with good safety records (63% for both) for enhancing comfort on the road. More than 75% of the respondents representing the pedestrians, road-neighbours and farmers claimed factors such as lack of or inadequate shoulders; reckless driving or drunk-driving is highly responsible in adding discomfort to the road.

To improve reliability: The road-users identified factors such as good road-condition, regular/adequate transportation services running on schedule and proper vehicle-condition as having the greatest impact in enhancing the reliability of the road (with 65% or more of the responses).

ROAD USERS' SATISFACTION

Road users' views regarding satisfaction level while using the roads were evaluated. The parameters included in the survey were, Road Conditions, Comfortability, Reliability and Safety factors related to the roads. The generalized outcomes of the survey were as follows:

On road conditions & physical aspects: Based on users' responses on aspects such as surface condition, road geometry, sufficiency of traffic signs, bridge/culvert conditions, etc., overall 64% of the respondents were satisfied with SRN, 54% with district-roads and 68% with urban-roads.

On comfortability: 79% of respondent felt the road-networks (SRN, DRs and URs) were fairly to adequately comfortable.

On reliability: 79% respondents felt the existing road-networks were fairly to adequately reliable.

On road safety: Majority of MV/NMV-drivers felt misuse of roads (dumping construction material, use as home yard, etc) highly affected the safety in the roads. Actions such as overspeeding, reckless overtaking/driving mostly hindered road-safety at the roads (with 72% or more of the responses classified as "high").

PERFORMANCE OF LINE AGENCIES & LOCAL GOVERNMENT

The survey showed that only 29% of the users feel that road-maintenances are carried out timely and identified timely-maintenances as one of their main concern regarding road management. About 43% of the road users (1010 out of 2340 responses) found the quality of roadwork satisfactory, while 9% found it good and 45% found it poor. 35% of the road users described the durability of road-maintenances to be satisfactory while 56% described it as unsatisfactory. About 71% of the road users (1671 out 2340 respondents) felt that road maintenance fell under DOR's responsibility while some felt it was under DDC and Municipality concerned. About 7% of the users were, however, not sure of which organization is responsible for maintenance. This illustrates the need for RBN to widely publicize its roles in road maintenance works among the road users in Nepal.

FUTURE POLICY & OPERATIONAL PRIORITIES

The perception of road-users on future policy and operational priorities are as described below:

On Road Maintenances

Strategic Road Network: The some respondents were of the view that road-maintenances at SRN should be implemented either through local-users' committee or be at least monitored by them. The majority of respondents were in favour of continuing the present maintenance system provided effective, regular monitoring/supervision by concerned agencies or users was in place. All respondents however stressed that the quality of works under the above system need to improve. Many respondents emphasized on timely and prompt response to road-maintenances/repairs/blockages.

District Roads: Most of the respondents were in favour of conducting road-maintenances through local-users' committees with numerous respondents arguing that transparency, accountability is maintained and leakages controlled when maintenance-works are conducted through local-users.

Urban Roads: Majority of respondents were in favour of implementing road-maintenances for these roads through local-users' committees. Respondents stress on effective monitoring/supervision of the road maintenances regardless of the modality of implementation. Most of the respondents were either not satisfied or aware of existing municipal-policy for road-maintenances. Many respondents stressed that municipalities needed to improve their implementation record, quality-control and judiciously utilize available funds.

On Road Safety

Awareness & Education Programmes: All road-users emphasized on need for regular safetyawareness programmes targeted for all users and concentrated to educate on safety-issues such as overspeeding, reckless driving or road-crossing by pedestrians/livestock and traffic discipline.

Enforcement: User stressed that traffic police need to concentrate in mitigating the hazards such as (i) drunk-driving; (ii) overspeed; (iii) reckless crossings (pedestrians/livestock) and (iv) control misuse of roads (depositing construction materials, playing, spreading hays or fodders).

On Traffic Management

Amendments to Rules & Regulations: Respondents to the qualitative questionnaires demanded amendments to the existing rules and regulations to incorporate (i) stiff penalties to violators; (ii) cancellation of license of drunk-drivers (as suggested by some respondents) to improve road-safety.

Reform of License System: User stressed that DOTM should ensure that the licensing system selects only competent drivers and stop irregularities during license issuance. A number of respondents demanded that licenses for even non-motorised vehicles should be introduced.

Toll-Tax Collection: Significant respondents were unaware of the toll process in general, while some were unaware only about its use citing non-transparency in the works or expenditures of road maintenances. Majority of the respondents who were knowledgeable about the toll-process felt that prevailing rate was reasonable to them but stressed strongly upon proper use of the revenue.

Axle-load control: Nearly all respondents felt that the existing enforcement and control mechanism was not effective. Most respondents urged for strong enforcements, regular checking mechanism with installations of weigh-bridges. Majority of these respondents pointed out that vehicle-operators need to load their vehicles (freight, passenger) within the legal limit.

CONCLUSION AND RECOMMENDATION

The RUSS – 2006, has made an effort to identify issues and concerns raised by road-users related to road conditions and toward road-management by line-agencies and related stakeholders. The study has revealed that road-users accorded highest importance to road repairs and maintenances (94%), safe-driving practices (91%) and provision of pedestrian facilities (82%) to improve road safety. Similarly for improving comfortability in travel, the roadusers pointed the necessity of good road-surface (63%) and availability of roadside facilities.

Road users' views regarding satisfaction level on road conditions and road's physical aspects such as surface condition, road geometry, sufficiency of traffic signs, bridge/culvert conditions, etc., revealed that overall 64% of the respondents were satisfied with SRN, 54% with districtroads and 68% with urban-roads. Similarly, 79% of respondent felt the road-networks (SRN, DRs and URs) were fairly to adequately comfortable and an equal percentage of respondents felt the existing road-networks were fairly to adequately reliable. The survey showed that only 29% of the users feel that road maintenances are carried out timely and identified timely maintenances as one of their main concerns regarding road management. On quality of roadwork, 43% of responded rated satisfactory, while 9% found it good and 45% found it poor. However, a large number of respondents were not aware of the correct agency responsible for the maintenance of the road.

This RUSS Study has collected users' perceptions and recommendations to different road agencies. The users' recommendations are hereunder categorized and the Consultant has streamlined them to clarify and elaborate the users' views.



*Fourth Annual Day
Celebration of RBN*



*Toll Collection Booth
Narayanghat-Butwal
Road Section*



*Consulation with
Local Road User*



*Preparation of
Resecling Process*



Patch Work



*Preparation for
Maintain Reseciling
work*



*Rural Road
Maintainance*



*Rural Road
Maintainance*



Rural gravel Road



*Montering by RBN
Personnal*



*Montering by RBN
Personnal*



Repair of Side Drain



*Rral Road
Maintainance*



*Well Maintain Road in
Pokhara
Submetropolitan*



*Repar of the Pavement
(Spot Maintainmance)*

