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# The Three Year Interim Plan (TYIP)

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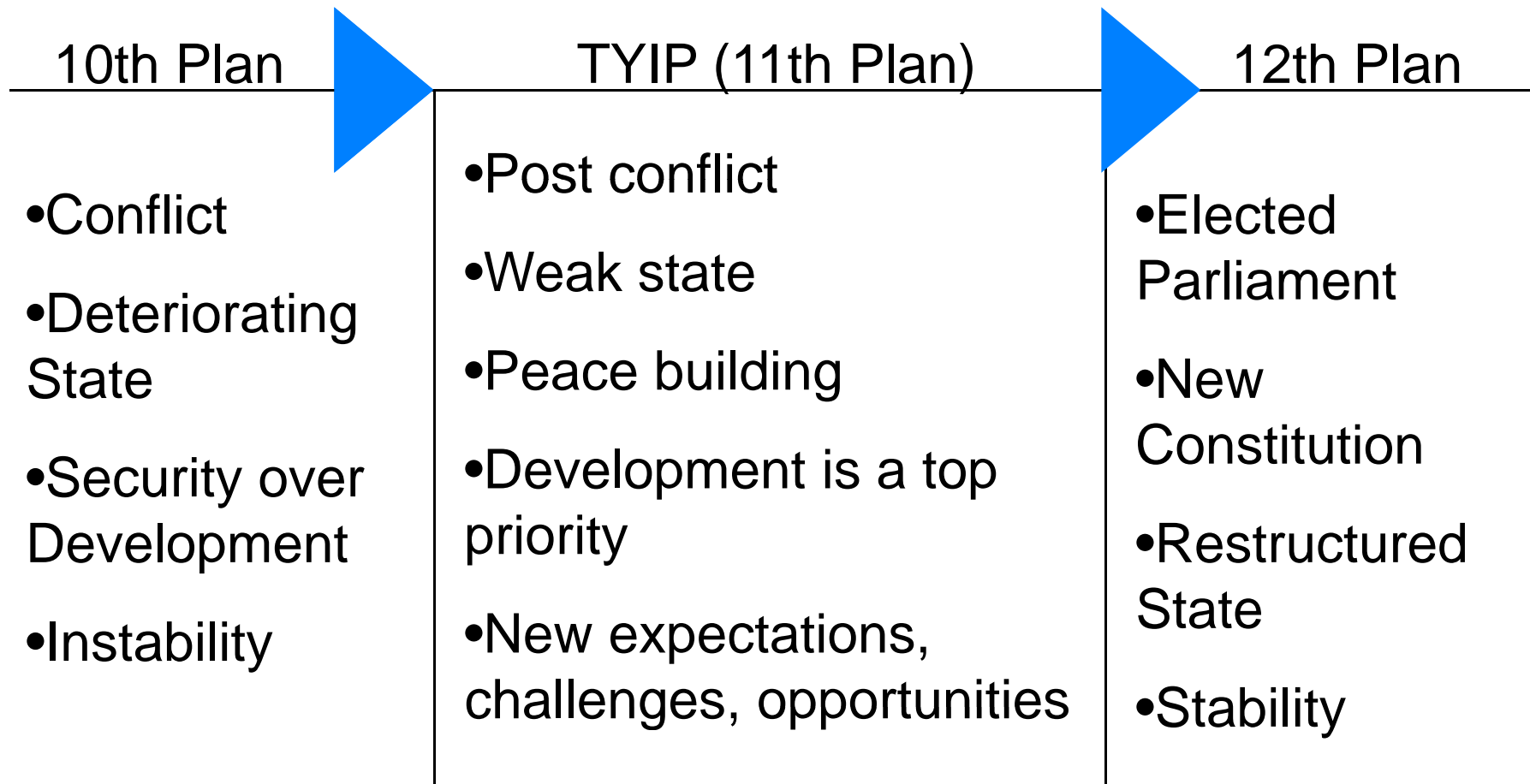
National Planning Commission

Nepal

# Outline

- Background of the Three Year Interim Plan (TYIP)
- What the TYIP contains
- Where we go from here

# The Context



# The Purpose of TYIP

- Reaffirm State presence
- Consolidate past achievements
- Rebuild, Rehabilitate, Reintegrate
- Kickstart the economy
- Create an investment environment
- Provide Hope, Optimism and Confidence in the State

# The Rationale of TYIP

- While the political process continues, development processes must move forward.
- There needs to be a basis for the systematic allocation of resources even in transition.
- There needs to be a national consensus agenda for development.
- Service delivery should continue and be enhanced

# TYIP: Baseline Status

- The thrust of the Tenth Plan (PRSP) was to reduce poverty and improve social status.
- The absolute poverty reduced from 42% to 31%.
- The social indicators were improved.
- Significant progress in attaining MDGs together with other instruments.
- Most of MDG targets, except primary education and HIV-AIDS, are likely to be met by 2015.
- Consumption based income inequality rose from 0.34 to 0.41.
- Poverty reduction was concentrated in urban areas.
- The targeted growth of the Tenth Plan not attained.

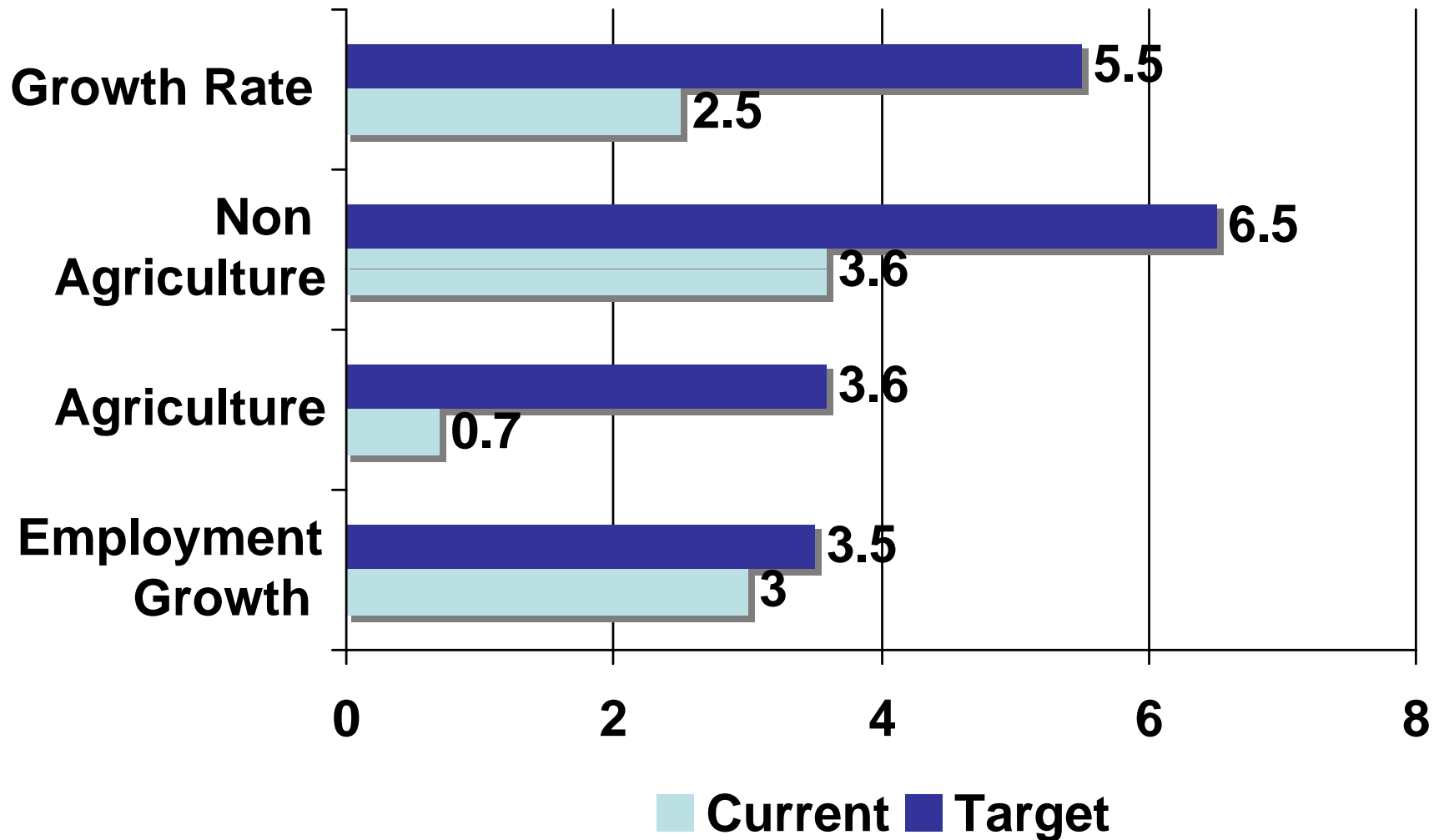
# **TYIP: Objectives**

**Realize change in the lives of people with the establishment of peace, and reducing existing unemployment, poverty and inequality.**

# TYIP: Strategies

- **Special emphasis on relief, reconstruction and reintegration**
- **Employment-oriented, pro-poor and broad-based economic growth by increased investment in physical infrastructures and other productive sectors**
- **Good-governance and effective service delivery**
- **Emphasis on social development – education, health, water and sanitation**
- **Inclusive (gender, geographical/regional and social) development and targeted programs**

# TYIP: Targets



# TYIP: Targets

<b>S N</b>	<b>Indicators</b>	<b>Situation FY 2063/64</b>	<b>Targets</b>
<b>1</b>	<b>Economic growth rate (Annual Average) (%)</b>	<b>2.5</b>	<b>5.5</b>
	<b>Agriculture</b>	<b>0.7</b>	<b>3.6</b>
	<b>Non-agriculture</b>	<b>3.6</b>	<b>6.5</b>
<b>2</b>	<b>Population below poverty line (%)</b>	<b>31</b>	<b>24</b>
<b>3</b>	<b>Employment growth rate</b>	<b>3</b>	<b>3.5</b>
<b>4</b>	<b>HDI</b>	<b>0.534</b>	<b>0.570</b>
<b>5</b>	<b>Gender Development Index (GDI)</b>	<b>0.520</b>	<b>0.556</b>
<b>6</b>	<b>Gender Empowerment Measurement (GEM)</b>	<b>0.351</b>	<b>0.450</b>
<b>7</b>	<b>Women receiving maternity services from SBA (%)</b>	<b>23.4</b>	<b>35</b>

# TYIP: Targets

<b>8</b>	<b>Family Planning Contraceptive users(%)</b>	<b>48</b>	<b>51</b>
<b>9</b>	<b>Total Fertility Rate (Women aged 15-49) (%)</b>	<b>3.1</b>	<b>3</b>
<b>10</b>	<b>Maternal Mortality Rate (per 100,000)</b>	<b>281</b>	<b>250</b>
<b>11</b>	<b>Infant Mortality Rate (per 1000 live births)</b>	<b>48</b>	<b>44</b>
<b>12</b>	<b>Child Mortality Rate (per 1000 live births)</b>	<b>61</b>	<b>55</b>
<b>13</b>	<b>Women's representation in overall state's mechanism, at least (%)</b>	<b>-</b>	<b>33</b>
<b>14</b>	<b>Population with access to drinking water (%)</b>	<b>77</b>	<b>85</b>

# TYIP: Targets

<b>15</b>	<b>Population with sanitation service (%)</b>	<b>46</b>	<b>60</b>
<b>16</b>	<b>Literacy Rate (%) - 6+ yrs</b>	<b>63</b>	<b>76</b>
<b>17</b>	<b>Literacy Rate (%) - above 15 years</b>	<b>52</b>	<b>60</b>
<b>18</b>	<b>Primary level NER (%)</b>	<b>87.4</b>	<b>96</b>
<b>19</b>	<b>District Headquarters with road connectivity (district number)</b>	<b>63</b>	<b>75</b>
<b>20</b>	<b>Telephone, including mobile (per 100 density)</b>	<b>6.5</b>	<b>25</b>
<b>21</b>	<b>Electricity generation (MW)</b>	<b>560</b>	<b>704</b>
<b>22</b>	<b>Irrigation (Hectares)</b>	<b>1168144</b>	<b>1263824</b>

# TYIP: Projection of 3-year Budget

(at FY 2006/07 constant prices)

	Three Years' Total Budget	
	Amount ( <i>Rs. in million</i> )	Percentage
<b>Total Expenditure</b>	<b>511378</b>	<b>100</b>
<b>Current Expenditure</b>	<b>285483</b>	<b>55.8</b>
<b>Capital Expenditure</b>	<b>178990</b>	<b>35</b>
<b>Principal Payment</b>	<b>46905</b>	<b>9.2</b>
<b>Sources of Financing Total Expenditure</b>		
<b>Revenue</b>	<b>318893</b>	<b>62.4</b>
<b>Foreign Aid</b>	<b>140660</b>	<b>27.5</b>
<i>Grant</i>	<i>84137</i>	<i>16.5</i>
<i>Loan</i>	<i>56522</i>	<i>11.1</i>
<b>Domestic borrowing</b>	<b>51826</b>	<b>10.1</b>

- Total Development Program Budget = Rs. 28030 Mn. (of which Foreign Aid is 50%)

- Program Budgeting in line with MDGs and MTEF

# TYIP: Overall Thrust

- Focus on large and small scale programs to reduce poverty and create more employment opportunities
- **Post conflict reconstruction, rehabilitation and management**
- **Coordination/harmonization and collaboration**
- **Inclusive development – gender, geographical and social inclusion**
- **Conducive policy environment for private sector development**
- **Reform foreign policy focusing on economic diplomacy**
- **Reorienting all development efforts in achieving MDGs and other commitments**

# TYIP: Major Sectoral Thrust

## 1. *Economic sector:*

- Agriculture: Diversification, Commercialization, Productivity enhancement and Food security.
- Tourism sector improvement
- Industry, trade and employment: Promote special economic zone (SEZ), Develop industrial/economic regions, Export diversification, Industrial incentives.

# TYIP: Major Sectoral Thrust

## ***2. Infrastructure sector:***

- **Transportation: Develop fast track multi-lines roads including, tunnels and cable cars/ropeways; Develop strategic road networks to connect districts**
- **Electricity: Micro - mega hydro-power investment, Promote alternative energy.**
- **Irrigation: Focus on year round, dependable and sustainable irrigation facilities.**
- **Information and Communication: Easy and affordable communication services up to all VDCs.**

# TYIP: Major Sectoral Thrust

## 3. Social sector:

- **Education:** Focus on rights based EFA, Primary education, Inclusive and quality education (Including NFE), Technical and vocational education, Involve communities in management of schools.
- **Health:** Improve health facilities, Increase access to health services, Involve communities in management of health institutions, Focus on women & child health care, Control HIV/AIDS, Free EHCS.
- **Drinking Water and Sanitation:** Improve accessibility and quality of drinking water and sanitation.

# TYIP: Cross-Sectoral Thrust

## ***4. Social Inclusion and Regional Development***

- **Ensure social justice, security and inclusion**
- **Focus on targeted programs to address gender, youth, caste, ethnic, Madhesi, Muslim and marginalized groups/communities including children, PWDs, senior citizens**
- **Special program for the development of Karnali and other remote areas including border areas**

# TYIP: Cross-Sectoral Thrust

## 5. Good governance:

- Enhance decentralization and devolution process
- Effective public service delivery mechanism
- Promote human rights of all sectors of the society

# TYIP: Implementation Strategy

- Improve Governance, Procurement and other Acts
- Promote public private partnership
- Large scale project and programs led by central level
- Direct program – community/local body managed/led
- Out sourcing/Involvement of CBOs/NGOs
  - Social mobilization
  - Rural infrastructures
  - Income generation
- Devolution
  - Direct authority to DDCs
  - Increase Peace Fund, DDF

# TYIP: Implementation Strategy

- **Institutionalize MfDR at all levels of development process**
- **Strengthen coordination and collaboration between different stakeholders**
- **Strengthening action oriented and participatory M&E system**
- **Social audit/public hearing**
- **Improve data management system both at central and local level**

# Success

- Measured strictly against the TYIP Targets

The **achievement** of stated goals **is crucial** to making the state relevant.

# What we expect from Donors

- Support for TYIP Priorities
- Give us untied budget support
- Simplified disbursement processes
- Mobilization of Peace Dividend
- State Ownership: Understand that at this time, **Who** does something is just as important as **What** is done

# What we commit to

- Maintaining fiscal discipline and macroeconomic stability
- Being held to TYIP targets
- Assuring quality disbursements
- Focusing NPC, MoF and Line Ministries on efficient implementation and strict monitoring

# TYIP Year 1: Lessons so far

1. Programming and Budgeting
  - Tied budget: Little room for accommodating new needs and demands amidst high expectation
2. Aid Allocation
  - Uncoordinated Aid: Although somewhat synchronized at the national level, at the local level there was no coordination
3. Better disbursement in the 1st quarter than last year
4. Positive impact of completed infrastructure projects

# What Next

1. Pick up TYIP targets that fall in your area of comparative advantage and institutional priorities
2. Coordinate with us and each other to formulate programs
3. Help us tie project outcomes to TYIP targets

# What Next

1. Your country teams should pick up TYIP targets that fall in your area of comparative advantage and institutional priorities. For instance:

- If Roads, there are two types of roads to focus on- SRN Priority Project (P1) and LRN Priority (DTMP)
- If Health, pick up projects and policies which are in the priority list such as: Sub Health Post Infrastructure
- If Education, focus on EFA, school building, physical facilities
- If Agriculture: pick up the priorities for revised APP focus, coordinate agriculture support programs at the local level
- If Tourism: Airport (TIA) expansion and upgradin, building new airports (in Nijgard, Pokhara and Bhairahawa), improvement of remote area airports
- In Industry: focus on promising new areas in the country, build on successful examples (cardammon, tea etc.)

# Thank You

We look forward to your continued support.