Development of a RTI Sub-sector MTEF: Lessons from a Developing Country

Farhad Ahmed
I T Transport Ltd., UK
Overview

- Why the paper?
- Nepal and RTI
- MTEF development process
- Lessons learned
Why this paper?

- Involved in a MTEF process
- General reference exist on MTEF
- Hard to find a reference on transport in a least developed country context
- Might be useful for future reference
Nepal

• One of the poorest countries (per capita GNI $340)
• Population below poverty line: 31%
• Divided into three geographical regions: flat, hilly and mountains
• 36% of the hill/mountain population > 4 hours walk from an all-weather road
SWAp & MTEF

• Government takes the responsibilities
• Framework developed: planning, implementation and M&E
• MTEF - a part of the framework to present a medium term expenditure projections.
MTEF Development Process

- Data collection format development format
  - Stock & condition of roads & other RTI
  - Availability of resources & their utilisation
  - Technical capacity of planning & implementation
- National level data collection: mainly macroeconomic + available resources + Unit costs
- Development of a simulation model
- Reconciliation of model outputs & finalisation of MTEF
- Limitation – lack of authentic data or data at all
Key issues & Challenges

- Demand for resources for RTI
- Supply of resources
- What expenditure government can sustain?
- Reconciliation of the gap
- Monitoring of expenditure vs. physical achievements
Proposal Preparation: Resource Requirements, Gaps & Reconciliation

- Step 1: Estimation of the existing stock & conditions
- Step 2: Establishment of future network size
- Step 3: Development & maintenance demand establishment – scenario analysis
- Step 4: Estimation of resource requirements
- Step 5: Estimation of resource availability
- Step 6: Selection of optimum scenario: best match between demand and supply
Proposal Preparation: Presentation of MTEF Proposals

- Summary of development process & assumptions
- Medium-term economic outlook
- Available resources and expenditure trends
- Year-wise disaggregated physical targets
- Overall projected expenditure
Lessons Learned

• Primary data are crucial but difficult to collect
• Needs a number of assumptions: degree of confidence may be low
• Assessment of govt. economic trends and outlook was helpful
• Simple spreadsheet simulation model was helpful
• Stakeholder consultation was critical
Thank you!

Any questions?