Summary

Poverty Alleviation Fund (PAF) is a special and targeted program to bring excluded communities of Nepal into the mainstream of development. The targeted program, started in 2003 in 6 districts, has now expanded to 55 of the total 75 districts. PAF has adopted a demand-led, community-based approach to alleviate poverty, with 33,124 community organizations being registered by the end of 2015-16. The core programs of PAF include income generation and community infrastructure activities as two major demand-driven projects. The main funding agency in this regard is the World Bank. Due to insufficient number of professionals in the project, individual consultants have to be selected as per WB procurement guidelines. As program coverage has increased, a big challenge is appointing of consultants in time. Thus, PAF program faced difficulties in achieving its annual physical and financial targets. To overcome this, in consultation with World Bank, a roster of individual consultants has been built for timely award of contracts, which supports timely achievement of annual targets.
Background

Under the PAF program, poor and disadvantaged groups themselves are placed in the driving seat of development efforts to bring the excluded communities into the mainstream of development. Each Portfolio Manager or District In Charge has an annual target of registering community organizations and signing the agreement for income generation and community infrastructure activities for their districts based on the program's annual budget. The Portfolio Manager seeks supply of individual consultants for project appraisals before registering a community organization and signing an agreement with it for income-generation and community infrastructure projects. In addition, individual consultants have to monitor and evaluate the projects and enter relevant data about the specific project into the PMIS (Project Management Information System).

Challenges Addressed

Procurement of individual project consultants in the beginning took about 40 days on average before a contract could be awarded for a single assignment. This led to the following issues: (i) Non-fulfillment of annual physical and financial targets, (ii) Blame game when targets are not achieved, (iii) Wastage of huge amounts in advertisements seeking individual consultants. These issues have, however, been taken care of after PAF authorities, in consultation with the World Bank, took a decision to introduce an innovative roster system for appointing individual consultants. As a result, project consultants are now available for awarding contracts within a week. The innovation has greatly helped in achieving annual targets, reducing administrative costs, and saving time. A single notice in a year seeking individual consultants brings enough of them on the roster and they are given assignments on a rotational basis.
Impacts Generated

Innovation of a roster for procurement of individual consultants has led to better implementation of the PAF program. The Procurement Unit is also finding sufficient time for implementing other activities as per the procurement plan. One-time evaluation for qualifying individual consultants and preparation of roster for a full fiscal year assists in timely selection of individual consultants for appraisal/monitoring of income generation and community infrastructure projects and proper data entry into the PMIS. This helps achieve the annual targets of the PAF program. The innovation has also reduced the cost of advertising the Request for Expression of Interest (REoI) by individual consultants and their evaluation process. About 20-30 people of each roster group find assignments/jobs throughout the year and are able to complete their tasks in close coordination with the Project Coordinator. Hope of getting another assignment after completing the previous one is encouraging individuals in becoming accountable for their task. Disputes are also minimal.

Level of Innovation

As per guidelines issued to World Bank Borrowers for Selection of Consultants, individual consultants have to be selected on the basis of their qualifications for the assignment. Consultants shall be selected after comparing qualifications of at least three candidates from among those who have expressed their interest in the assignment. There are more than 400 such assignments per package. Thus, the Procurement Committee had to spend a lot of time in choosing individual consultants. Following this innovation, the Procurement Committee now evaluates consultants only once a year to develop a roster of individual consultants for each category of works.

The roster for each category is prepared by taking the top 20-25 candidates on merit basis. The detailed list of consultants is uploaded in the PMIS (Project Management Information System). Consultants in the merit list are appointed on a top-to-bottom and rotation basis once demand is placed by the Portfolio Manager. After completion of one cycle, the second cycle is again
Lessons Learned

This innovation has led to cost savings, transparency, and streamlining of the procurement process.

Data-based management system ensures transparency and quick supply of individual consultants on rotational basis.

An orientation program about the assignment for selected consultants can help them focus on their job as per the project requirement.

Evaluation of the job done by the consultant after each assignment ensures that they are sincere with regard to their job.

A Standard Format for Reporting can also be developed for a quick review of reports submitted by the consultants.

Replicability

This innovation of roster for individual consultants can be replicated for all community-based projects, where expertise of individual consultants is required. Institutions having lesser knowledge of procurement and contract management too can apply this innovation for appointment of individual consultants. As this innovation is very simple, it can be replicated in any other project of the country or abroad.

Scalability and Sustainability

PAF has been using this approach for the last seven years. Appraisal/monitoring of around 18,000 income-generation projects and 3,000 community infrastructure projects has been done using this system. Disputes among consultants during contract period in this innovation are minimal. Getting another assignment after completing the previous one encourages individuals to ensure quality and be more accountable for their task. The approach is thus also sustainable.