

**PROPOSED TFET-FUNDED  
EMERGENCY INFRASTRUCTURE REHABILITATION  
PHASE II  
Project Summary**

---

## Proposed Emergency Infrastructure Rehabilitation Project, Phase II

.....

### A. Project Rationale

East Timor's transport and power infrastructure was severely damaged during the post-referendum conflict and was unable to facilitate humanitarian relief or security operations. ADB prepared and administered a grant funded by the TFET to restore road conditions, port operations, and power supply to enable the humanitarian aid delivery and resumption of economic activities. The needs of the infrastructure sector, particularly the road subsector restoration, require additional funding over and above the initial grant. Supplementary resources under the Project aim to restore the road conditions to a standard where the road network can make a contribution to economic activities and be maintained by an East Timorese field maintenance administration.

### B. Project Description

The supplementary funding will intensify and extend the objectives of the approved Project, Grant No. 8181-ETM: Emergency Infrastructure Rehabilitation, and focus on stabilizing the road network, leaving it in a condition at which it can be maintained with a relatively modest budget. The Project will also continue programs to establish a viable and efficient maintenance operation in East Timor.

The Project will provide (i) sustainable road works that reduce the annual emergency rehabilitation requirement, (ii) support to establishment of a road maintenance regime, (iii) detailed engineering, and (iv) project management services and training.

The Project has been classified as environmental category B. An initial environmental examination was undertaken.

The immediate benefits of the Project include (i) improvement of access to rural areas, (ii) inducement of agricultural cultivation, (iii) reduction in urbanization trend, and (iv) facilitation of humanitarian aid programs and security conditions. The Project will employ local communities with focus on the poorest in rural areas, where most people have very limited income-generating opportunities. Local communities will also be employed under a sustainable and long-term road maintenance program, and opportunities and training programs will be provided for the emerging road sector industry.

### C. Executing Agency

UNTAET will be the recipient of the grant and its Department of Infrastructure the Executing Agency. The project implementing agency will be the project management unit (PMU), which will execute and implement activities under the Project. The PMU will

.....

be managed by an East Timorese project manager and comprise international and East Timorese experts.

## D. Cost Estimates and Financing Plan

The Project finances a time-slice of the sector needs. The total cost is estimated at \$10.0 million, which will be financed by a grant of \$10.0 million from the TFET (see Table 3). These funds have been contributed by donors and do not include resources from ADB. The International Development Association of the World Bank Group is the Trustee of TFET.

Table 3: Detailed Cost Estimates  
(\$ million)

Item	Foreign Exchange
<b>A. Civil Works</b>	
1. Backlog and Earth Works	4.46
2. Slip Rehabilitation	1.50
3. Routine Maintenance Program	1.50
<b>Subtotal A</b>	<b>7.46</b>
<b>B. Consulting Services</b>	
1. Project Management and Training	1.14
2. Design Services	0.36
<b>Subtotal B</b>	<b>1.50</b>
<b>C. Contingencies<sup>a</sup></b>	
1. Physical Contingency	0.86
2. Price Contingency	0.18
<b>Subtotal C</b>	<b>1.04</b>
<b>Total</b>	<b>10.00</b>

<sup>a</sup> Physical (10 percent) and price (2 percent) contingencies are included.

Source: Staff estimates.

## E. Period of Utilization

Until 31 December 2003

## F. Estimated Project Completion Date

30 June 2003

## **G. Procurement of Goods and Services**

Civil works will be awarded on the basis of international shopping and international competitive bidding in accordance with ADB's *Guidelines on Procurement*. International contractors are encouraged to utilize labor-intensive methodologies maximizing local employment opportunities. Eligibility for procurement and engagement of consultants will include ADB member countries, East Timor, and all donors and members of international organizations that have contributed to the TFET.

International consulting services will be required for the PMU and detailed engineering. The consultants will be selected in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. Advance procurement action is requested for selection of detailed engineering consultants to accomplish the Project implementation schedule.