

TFET- Funded

Grant No. 8198-TIM (TF)

Emergency Infrastructure
Rehabilitation Project

Phase 2

REHABILITATION AND MAINTENANCE OF ROADS

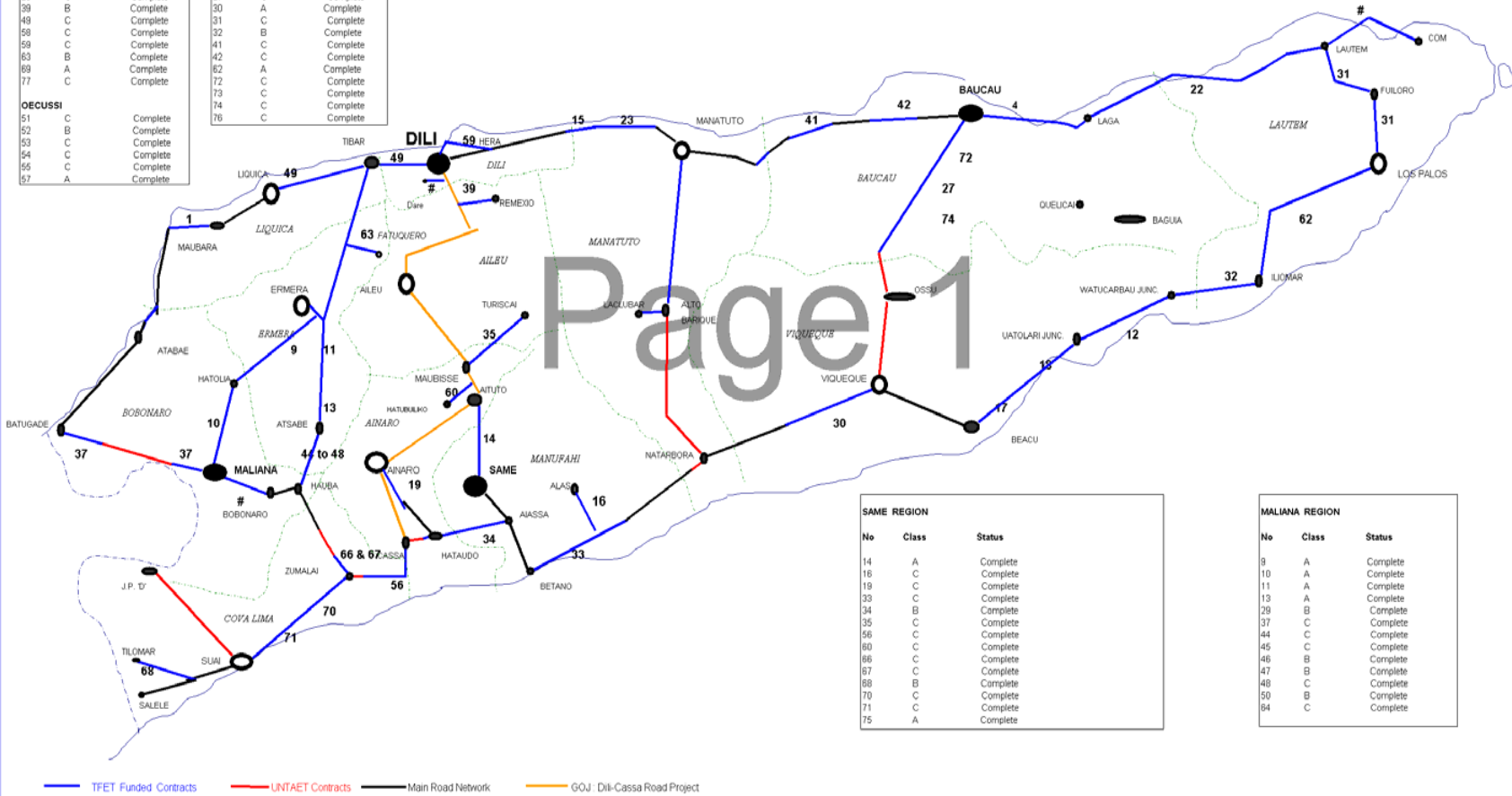
EIRC AND RMRC CIVIL WORKS CONTRACTS

TOTAL VALUE US\$ 17.01 MILLION INCLUDING SUPERVISION)

CLASS A CONTRACTS Value varies \$200,000 - \$1,000,000
 CLASS B CONTRACTS Value varies \$50,000 - \$300,000
 CLASS C CONTRACTS Value varies up to \$90,000

DILI REGION		
No	Class	Status
1	A	Complete
2	C	Complete
5	A	Complete
6	B	Complete
7	A	Complete
8	B	Complete
15	C	Complete
23	C	Complete
29	B	Complete
49	C	Complete
58	C	Complete
59	C	Complete
63	B	Complete
69	A	Complete
77	C	Complete
DECUSSI		
51	C	Complete
52	B	Complete
53	C	Complete
54	C	Complete
55	C	Complete
57	A	Complete

BAUCAU REGION		
No	Class	Status
3	B	Complete
4	C	Complete
12	A	Complete
17	C	Complete
18	B	Complete
22	B	Complete
25	C	Complete
27	C	Complete
30	A	Complete
31	C	Complete
32	B	Complete
41	C	Complete
42	C	Complete
62	A	Complete
72	C	Complete
73	C	Complete
74	C	Complete
76	C	Complete



SAME REGION		
No	Class	Status
14	A	Complete
16	C	Complete
19	C	Complete
33	C	Complete
34	B	Complete
35	C	Complete
56	C	Complete
60	C	Complete
66	C	Complete
67	C	Complete
68	B	Complete
70	C	Complete
71	C	Complete
75	A	Complete

MALIANA REGION		
No	Class	Status
9	A	Complete
10	A	Complete
11	A	Complete
13	A	Complete
29	B	Complete
37	C	Complete
44	C	Complete
45	C	Complete
46	B	Complete
47	B	Complete
48	C	Complete
50	B	Complete
64	C	Complete

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The Emergency Infrastructure Rehabilitation Project EIRP-2 (Phase 2) – Grant 8198-TIM (TF)

A. Summary

Under Phase I (Grant 8181-TIM (TF)), road repair works have been implemented in addition to the port and power components. The road repair works have been invaluable in facilitating access to humanitarian aid and peace and security. However, these have only partially been able to implement permanent engineering solutions that will reduce the maintenance burden in the long term. The program requires additional resources. Phase 2 (“the Project”) is also supporting longer-term sector development, establishment of routine maintenance mechanisms, field organization, local contracting industry, community engagement, and capacity building for sector management. Accordingly, the additional funding will focus on intensifying and extending the Phase 1 objective to restore the road network to a condition in which its economic life can be extended effectively through routine maintenance within available recurrent funding levels.

The total cost of the Project is \$9.0 million and financed by a grant from the Trust Fund for East Timor (TFET). The period of utilization is until 31 December 2003 and the Project is expected to be completed by 31 December 2004. All procurement activities follow ADB’s *Guidelines for Procurement* used for loan-financed projects and consultants are selected in accordance with ADB’s *Guidelines on the Use of Consultants*.

The benefits from this Project are (i) provision of sustainable road works; (ii) reduction of the annual emergency rehabilitation requirements, and (iii) support for the establishment of a road maintenance regime.

Timor-Leste will be the recipient of the grant and the Ministry of Transportation, Communication and Public Works (MTC&PW) is the Executing Agency.

The Project Management Unit (PMU) is the project implementing agency and reports to the Minister of MTC&PW. The PMU programs, administers, and coordinates daily activities. It is headed by local project manager and comprises an internationally recruited chief technical advisor, engineers, and an accountant.

Project implementation began in January 2003, and the invitation for the civil works is being finalized. The project management has been established and civil works are expected to gather momentum from the 3rd quarter of 2003.

B. Background

1. Rationale of the Project

The Project supports long-term sector development by strengthening the local contracting industry, instituting operational and maintenance systems, and providing capacity building for sector management.

2. Project Objective and Intended Outputs

In light of the forecasted recurrent budgetary constraints of the emerging Timor-Leste, this Project focuses on stabilizing the road network and enabling it to be left in a condition from which it can be maintained with a relatively modest budget. The Project's objective is to support earthworks to diminish the annually recurring emergency requirement by reducing the backlog maintenance requirement. It also continues programs initiated under Phase 1 to establish a viable and efficient maintenance operation in Timor-Leste and support technical preparation of the local maintenance service to carry out routine maintenance and contract village groups.

The Project provides sustainable roadworks that reduce annual emergency rehabilitation requirements, and support for the establishment of a road maintenance regime. The Project scope includes

- (i) preventive civil works and periodic maintenance;
- (ii) support for the establishment of a routine maintenance regime;
- (iii) detailed engineering, and
- (iv) training and project management.

3. Procurement

All procurement is being carried out using international and local competitive bidding and international shopping procedures in accordance with *ADB's Guidelines for Procurement*. Contractors are eligible to tender for one or more of the contract packages within their respective bid capacities. ADB approval prior to award is required for all contracts.

4. Impacts Intended

The road network will be handed over to Timor-Leste in adequate condition to contribute to economic development, from which it can effectively be maintained throughout by

- (i) Establishing a field organisation for maintenance of the road network;
- (ii) Significantly reducing backlog maintenance requirement;
- (iii) Addressing all landslips to facilitate access; and
- (iv) Employing local labor and developing their skills to develop sustainable employment opportunities in road sector management.

C. Implementation Performance

1. Achievement of Outputs

EIRP-2 was expected to start implementation in July 2002. However, this was delayed until January 2003.

The Project is slightly behind schedule due to the delay in the selection of the detailed design engineering consultants who will provide geotechnical assessment and detailed designs for civil works. The short list of companies to be engaged for execution of engineering services is under finalization and issuance of invitations for proposals is expected by end-May 2003. Selected consultants are expected to be mobilized by September 2003.

Staffing, for both international and local positions, within the Project Management Unit (PMU), which will program, administer, and coordinate the daily activities, is in progress and it is expected to be completed by mid-June 2003.

Assessment of training needs is underway to address capacity building for a routine maintenance program, and for upgrading of necessary skills to assume managerial and technical responsibility for field administration and periodic maintenance, bio- and other engineering techniques, and financial and administrative accountability.

2. Costs

A Project Steering Committee was established to help the PMU in the smooth implementation of the Project. The Project is expected to be completed in 18 months, i.e., around July 2004. The table below shows project expenditures by category.

Expenditure by Category as of 30 April 2003 (US\$)

Category	Allocated	Disbursed
Civil Works	6,720,000	
Consulting Services	1,350,000	
Unallocated	930,000	
Project Account		600,000
Total	9,000,000	600,000

3. Procurement and Construction

No procurement and construction activities are initiated to date.

4. Organization and Management Performance

Staffing, for both international and local positions within the PMU, which will program, administer, and coordinate the daily activities, is in progress and it is expected to be completed by middle of June 2003.

D. Project Impacts

1. Socioeconomic Impacts

The Project is classified as a pro-poor growth intervention. An initial social assessment and a poverty assessment were carried out. Significant positive impacts are expected for the beneficiary communities. The civil works component is expected to enhance the reliability of road access for communities around the country, including poor and vulnerable communities. The establishment of a community-based road maintenance regime will provide a cost-effective means for ensuring that roads are maintained, and provide a mechanism for fostering sustainable incomes to the rural communities that have a strong need for income-generating opportunities. Rural communities in Timor-Leste have a strong structure of rural representation, and village representatives are capable of organizing collective activity, such as road maintenance.

2. Environmental Impacts

The Project is classified as environmental category B. An initial environmental examination (IEE) was prepared in accordance with the ADB's Environmental Guidelines for Selected Infrastructure Projects. The IEE indicates that while construction-related environmental impact is unavoidable, this can be mitigated using appropriate engineering practices. The IEE concludes that the EIRP-2 will result in a net benefit with costs of mitigation being outweighed by the envisaged benefits.