

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PAHQ

TA No., Country and Name TA 3731-TIM: Transport Sector Improvement			Amount Approved: \$500,000.00	
			Revised Amount: \$500,000.00	
Executing Agency: Directorate General of Roads, Bridges and Flood Control of the Secretary of State for Public Works, in collaboration with the Planning Unit under the Ministry of Transport, Communications and Public Works	Source of Funding: JSF	Amount Undisbursed \$68,988.71	Amount Utilized \$431,011.29	
Approval 01 October 2001	Date Signing 19 November 2003	Fielding of First Consultants 14 February 2005	TA Completion Date	
			Original 31 August 2002	Actual 30 June 2006
			Account Closing Date	
			Original 31 August 2002	Actual 31 March 2008
Description				
<p>The democratic consultation of 30 August 1999 was followed by a campaign of destruction that demolished much of the Timor-Leste's infrastructure. All administrative structures became dysfunctional as documentations were destroyed and institutions were depleted of their staff. Under a resolution of the Security Council of the UN, the United Nations Transitional Administration in East Timor (UNTAET) was established with powers to ensure stability; establish a transitional government; and establish the judiciary, laws, and policies. Timor-Leste was still under the administration of UNTAET at the time of this TA's approval and until its independence on 20 May 2002.</p> <p>A joint assessment mission coordinated by the World Bank was fielded in October-November 1999 to prepare a medium-term restoration program. ADB took the lead-agency role for implementing infrastructure sector restoration in the program. The ADB-financed TA 3401, <i>Transport Sector Restoration</i>, prepared an approach for transport sector establishment with requirements to implement effective transport sector institutions and regulatory frameworks. The cabinet of East Timor Transitional Administration (ETTA) agreed on 12 September 2000 to establish for the transport sector common legislation that would embrace the three transport modes: roads, maritime, and aviation. As a follow-up action, this TA for Transport Sector Improvement was prepared to support the operational improvement of transport sectors towards autonomous and effective service delivery.</p>				
Expected Impact, Outcome and Outputs				
<p>The objective of this TA was to support the establishment of sustainable operations, management, and administration of the transport sectors. The TA was intended to assist legal and operational establishments of effective and appropriately-sized operations of port, airport, and road subsectors. For each of the three subsectors, the principle outputs included (i) establishment of domestic counterpart, regulations and performance indicators; (ii) development of legal frameworks, operation improvement plans, and business development plans; (iii) applications to the necessary international conventions; (iv) recommendation of cost recovery measures; (v) plan for ensuring maximum private sector involvement; and (vi) time-bound plan for approving the legislation and operational proposals and support their implementation. The executing agency (EA), Department of Infrastructure under ETTA, was managing ports, airports, and road activities at the time.</p>				
<p>The TA was relevant considering the situation of Timor-Leste at the time. It was designed on the basis of the understanding reached with the domestic counterparts and UNTAET, and recommendations from previous projects.</p>				
Delivery of Inputs and Conduct of Activities				
<p>Almost immediately after the TA's approval, the Government received various offers of assistance from several sources for the same sector, some of which overlapped with the scope under the TA. The TA therefore was not offered to the Government nor was it cancelled as the then ADB project officer had a view of eventually redesigning the TA, if necessary. The TA was offered to the Government in its original form in 5 November 2003. Verbal agreement was reached at a donor's meeting in December 2003. In view of the fact that the environment in Timor-Leste had significantly changed since the approval of the TA, an ADB review mission, from 10 to 13 August 2004, discussed and agreed with the Government on the update of this TA. A minor Change in Scope and Change in Implementation Arrangements was approved by ADB on 2 September 2004 for this update.</p>				
<p>The revised goal and purpose of this TA was to stress the need to prepare an updated and comprehensive development strategy for the road system. The updated outputs included: (i) identification of an optimal level of</p>				

expenditure on road construction and maintenance; (ii) preparation of a road investment program; (iii) development of a program to increase expenditure and management capability for sustainable road maintenance; (iv) recommendation on road use charges; and (v) preparation of basic information that will serve the longer term road planning and management needs of the Government. The EA was changed to the Directorate General of Roads, Bridges and Flood Control of the Secretary of State for Public Works, in collaboration with the Planning Unit under the Ministry of Transport, Communications and Public Works.

The project was back on track since the change got approved. Inputs delivered through the TA were adequate to achieve the intended objectives. Terms of reference (TOR) for consultants were properly defined. An international consultant firm, in association of a local firm, was engaged for this TA. The TA reviewed Government's Transport Sector Investment Program and relevant studies; conducted surveys for the core road network; and performed analyses and assessments on engineering, economic, poverty, social and environment aspects of transport sector. The consulting activities were conducted with high professional standards. However, the contract administrative of this international consultant firm was poor and delayed the financial closing of this project significantly. Overall, the performance of the consultant was satisfactory. The performance of the EA and ADB was satisfactory.

Evaluation of Outputs

The final TA reports are of high quality and result into two ADB publications as knowledge products. The government was satisfied with the outputs and approved the road sector investment program (RSIP). Major achievements under the TA include:

- (i) **Road Inventory and Survey:** This is the first time that the entire road network has been systematically inspected and a written summary of the road conditions prepared. The inventory and survey will be useful in decision making, as well as to document the changes in roadway conditions over the long term.
- (ii) **Road Investment Program:** A 10-year investment program was developed based on economic analysis to the core road network with consideration of social/poverty problems. The program provides a planning tool for the government and donors to choose future road projects.
- (iii) **Road Rehabilitation Project Preparation:** The TA proposed an investment on 3 National Roads in the first year of the 10-year RSIP and completed preliminary engineering design and draft bid documents.
- (iv) **Labor Intensive Maintenance:** The proposed road project included a component of labor-intensive maintenance to facilitate the sustainable maintenance of road network.
- (v) **Community Empowerment Initiative:** The proposed road project also included socially-inclusive and gender-responsive features. A community empowerment initiative was designed to apply a community-based approach to connect isolated communities to the major roads, or the closest social facilities such as clinics or markets.
- (vi) **Institution:** To strengthen the institutional capacity of transport sector, the TA made recommendations for transport services; consulting services and contracting industry; the institutional organization in the road sector; management of the road networks; and the financing for the road networks.

Overall Assessment and Rating

The TA is rated as successful. It was originally designed as a follow-up action of previous TA, but properly adjusted before implementation to accommodate the significant changes since the TA's approval. The outputs effectively facilitated the strategic planning of transport sector, specifically road development and management. The implementation methodology of this TA gives practitioners an example of good practices for road projects in the areas of investment planning, poverty reduction, and sustainable development in Pacific developing member countries.

Major Lessons

The main lesson learned is that the initial delay of this TA due to overlapping assistances from other donors could be avoided if more comprehensive coordination with development partners was made.

Recommendations and Follow-Up Actions

The TA's main recommendation was the 10-year road investment program which was approved by the Government. The 3 National roads identified for the first year of the program was included in the later approved and ongoing ADB Grant 0017: Road Sector Improvement Project.

The finding and recommendations of this TA is helpful in preparing future road projects in Timor-Leste. The institutions in road sector did not have adequate capacity at the time to ensure sustainable maintenance on a large scale and to monitor and implement an accelerated road investment program. Plans for strengthening institution were prepared to improve the situation. In addition, the TA recommended a series of complementary actions to increase the impact of transport improvement on poverty reduction.