

TECHNICAL ASSISTANCE COMPLETION REPORT¹

Division: PAHQ

| | | | | |
|---|--|---|---|---|
| TA No., Country and Name TA 4609-TIM: Infrastructure Sectors Capacity Development | | | Amount Approved: \$600,000.00 | |
| | | | Revised Amount: N/A | |
| Executing Agencies Office of the Prime Minister and Ministry of Public Works | Source of Funding TASF | | Amount Undisbursed: \$24,882.85 | Amount Utilized: \$575,117.15 |
| TA Approval Date: 14 July 2005 | TA Signing Date: 4 August 2005 | Fielding of First Consultants: 9 March 2006 | TA Completion Date | |
| | | | Original: 30 November 2008 | Actual: 30 November 2008 |
| | | | Account Closing Date | |
| | | | Original: 30 November 2008 | Actual: 12 February 2009 |
| Description | | | | |
| <p>Timor-Leste, a newly independent country since 2002, was one of the most underdeveloped economies in the region. It was estimated that about 40% of the population live below the poverty line, and about over 75% of the poor live in rural areas with inadequate infrastructure development and service delivery. The Government of Timor-Leste recognized that infrastructure was important in all sectors of economy and society, and stated in its National Development Plan (NDP) that there was a need "to plan for, provide and manage physical infrastructure that is efficient, cost-effective, and financially sustainable, and which supports the social and economic development priorities of the people of Timor-Leste."</p> <p>The Ministry of Transport, Communications, and Public Works, as the central agency responsible for main infrastructure sectors, struggled to implement capital work programs efficiently. Meanwhile, the Government intended tripling its own infrastructure capital spending from 2006 to 2008. Mechanisms were urgently needed to help the Government supervise and oversee publicly funded infrastructure capital expenditure programs. External assistance from key development partners had been delivered with some inconsistency and overlap. The practices of strategic planning, legislating, and regulating had been sector-specific, but for a small market like Timor-Leste, a harmonized system of legal and regulatory functions would be more efficient.</p> <p>Timor-Leste had an extensive road network of 6,040 kilometers, which was generally in poor condition. The difficult terrain, geology, and weather condition caused significant needs of rehabilitation and maintenance works in order to provide adequate land transport services. The Government outlined a 10-year vision for the road system to (i) bring the road network to a sustainable condition, (ii) improve key roads to support a growing economy, and (iii) ensure effective capacity to manage the road system. To achieve these visions, the capacities of both public and private sectors needed to be urgently strengthened.</p> <p>Among other development partners, ADB had led infrastructure support in Timor-Leste since 2000. The previous works focused on emergency rehabilitation of roads, ports, water supply, and rural water supply, which brought tangible benefits to the country. However, to achieve broad-based sustainable economic and social development, the performance of infrastructure sectors needed to be comprehensively improved. ADB's continued support was necessary to (i) make more cohesive and efficient institutional arrangements, and (ii) build technical capacity from a very low base.</p> | | | | |
| Expected Impact, Outcome and Outputs | | | | |
| <p>The TA was relevant considering the performance of infrastructure sectors at the time. The expected impact of this TA was improved infrastructure services available to people in all urban and rural areas. The expected outcome of this TA included more integrated multi-sector strategic plans, laws, regulations, capital programs and service delivery arrangements for rural areas, and more integrated urban infrastructure operations, and a strong road sector management capability. The TA was designed with two components: (i) integrated multi-sector institutional development for infrastructure, and (ii) technical capacity building for the road sector. Component 1 was expected to develop (i) a multi-sector infrastructure institutional analysis of government functions, (ii) an integrated multi-sector institutional development road map for infrastructure, (iii) multi-donor terms of reference (TOR) for strengthening the institutional framework for infrastructure, (iv) TOR for the First Infrastructure Institutional Development and Capacity Building Program, (v) an institutional framework for sound road sector development, and (vi) a capacity development road map and TOR for the road sector. Component 2 was expected to deliver two training programs in road sector.</p> | | | | |
| Delivery of Inputs and Conduct of Activities | | | | |
| <p>An international consulting firm was engaged to implement both components. For component 1, the TA consultants were mobilized in March 2006 and provided intermittent inputs until the political crisis in April 2006 required the consultants to demobilize in mid-April 2006. The consultants returned to Dili for 3 weeks during October to November 2006 to prepare output (iv) of component 1, i.e., the TOR for the ADB-supported First Infrastructure Institutional Development and Capacity Building Program.</p> <p>The political crisis and violence in April-May 2006 significantly affected the relevance of the original TA design. The capacity of</p> | | | | |

¹ In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

the infrastructure ministries and executing agency was seriously reduced. The institutional reform advice to be produced under the TA would be of a lesser priority because operational units in the ministries were still rebuilding basic organizational capacity after the destruction and disruption caused by the crisis. The Government was contending with the ongoing humanitarian crisis associated with internally displaced persons. Based on a request of the Government that the TA needed to concentrate on helping improve capacity development budget execution, a major change in scope was approved by ADB on 14 February 2007, which replaced outputs (i), (ii), (iii), and (v) with support to capital budget execution and preparation of a strategic development plan for the Ministry of Transport and Communications (MoTC). The consultants then resumed their work under component 1. In June 2007, the Ministry of Public Works (MoPW) further requested to extend the services of consultant for supporting capital budget execution to ensure the timely delivery of three high priority development programs. In the mean time, the ongoing leadership uncertainty of MoTC and its limited absorptive capacity made the MoTC strategic development plan less effective. ADB approved a change in scope on 18 June 2007 to replace the preparation of the MoTC strategic development plan for provision of additional consulting services to MoPW's capacity development program. Component 1 was finally completed on 18 October 2007.

Component 2 of the TA was also delayed due to the political crisis and unrest in 2006. An inception mission in July 2007 undertook an assessment of training needs to develop the training plan. Based on the findings from the consultations with the MoPW and other stakeholders, the originally planned two training programs were changed to eight two-week training modules to cover road engineering, contract administration, road maintenance, quality control, and traffic safety. Each training module was designed to accommodate 30 participants from public and private sectors. The eight training modules were delivered during September 2007 to August 2008. A graduation ceremony was held on 4 November 2007 to award a certificate of attendance to the participants.

Overall, the performance of the consultant was satisfactory. The performance of the EA and ADB was also satisfactory.

Evaluation of Outputs and Achievement of Outcome

The TA helped the infrastructure ministries, particularly for the MoTC and MoPW, in capital program development and budget execution under challenges imposed by the political crisis in 2006 and subsequent civil unrest, and improved the technical capability of the Government. The Government was satisfied with the achieved outputs. Major achievements under the TA include:

- (i) **TOR for follow-up TA:** The TA consultants helped the preparation of a \$15 million ADB TA 4942 for Infrastructure Project Management, which continued to support capital development and capacity building in the infrastructure sectors.
- (ii) **Project Management:** The TA consultants effectively assisted MoTC and MoPW in the implementation of 2006-2007 capital development program. The Project Engineer assigned to MoTC assisted in the procurement of National Connectivity Project and the Com Port Rehabilitation Project. The Project Engineer assigned to MoPW developed a full set of procurement and implementation documents for upgrading priority national roads and major bridges, summarized the current practices of MoPW and made recommendations from project implementation to institutional framework, and prepared a model TOR for road engineering design.
- (iii) **Capacity Development:** All of the eight training modules were carried out as planned. Site visits were arranged under three modules to provide practical experience in the topics discussed in the lectures. Forty-seven students, mainly from the Government, were awarded a certificate of attendance on the graduation ceremony.

Overall Assessment and Rating

The TA is rated as partly successful. The political crisis in the TA's implementation course seriously reduced the relevance of its original design. Although ADB and the Government made timely adjustment to the scope, it became difficult to fully achieve the expected outcome and impact. While the TA provided solid support to the Government's capital development program after the civil unrest, the integrated multi-infrastructure-sector strategic policy and execution frameworks had to be removed from the TA, and the road engineering capability of private sector was only marginally improved.

Major Lessons

Two lessons can be drawn from the TA. First, the multi-sector integration efforts seem premature considering the unstable peace and security situation of Timor-Leste and the lack of management and technical capacity. Future assistance to Timor-Leste in the areas of capacity development in the infrastructure sector needs to target more basic functions. Secondly, since knowledge and experience are both limited in the infrastructure sector, a stand-alone training program can hardly attract management level staff of the Government and private sector when their everyday working time have to be fully committed to more urgent tasks, such as budget execution, capital development program, and project administration, among others.

Recommendations and Follow-Up Actions

It is recommended that (i) continuous assistance and support to building capacity in the infrastructure sector in Timor-Leste is still necessary, but should be well targeted to develop basic management and technical skills; (ii) a multi-donor cooperation and coordination mechanism, although not achieved in this TA, is still relevant and should be strengthened through future TAs and projects; and (iii) a motivation mechanism should be designed in future capacity-building assistance to link personal capacity development with the career path of government officials.

Prepared by

Chen Chen/
Ya-Hsin Tien

Designation

Infrastructure Specialist/
Financial Analyst