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# Timor-Leste: Baucau to Viqueque Highway Project

## Project Name

Baucau to Viqueque Highway Project

## Project Number

51115-001

## Country / Economy

- Timor-Leste

## Project Status

Active

## Project Type / Modality of Assistance

- Loan
- Technical Assistance

## Source of Funding / Amount

Loan 3643-TIM: Baucau to Viqueque Road Project

### Source

### Amount

Ordinary capital resources US\$ 19.00 million

Loan 3644-TIM: Baucau to Viqueque Road Project

### Source

### Amount

Concessional ordinary capital resources lending US\$ 25.00 million

TA 9502-TIM: Promoting Sustainable Land Transport Infrastructure

### Source

### Amount

Technical Assistance Special Fund US\$ 1.00 million

## Strategic Agendas

- Environmentally sustainable growth
- Inclusive economic growth

## Drivers of Change

- Gender Equity and Mainstreaming
- Governance and capacity development
- Partnerships

## Sector / Subsector

- **Transport** / Road transport (non-urban)

## Gender

Effective gender mainstreaming

## Description

Project Rationale and Linkage to Country/Regional Strategy

## Impact

Increased and more efficient movement of people and goods

## Project Outcome

### Description of Outcome

Road transport connectivity improved and travel time reduced along the crucial north-south land transport link from Dili to Viqueque

### Progress Toward Outcome

According to the latest progress report from MPW/PMU, at the end of 2021 the civil works for Lot 1: Baucau to Venilale was 44.88% complete, and Lot 2: Venilale to Viqueque was 35.82% complete.

## Implementation Progress

### Description of Project Outputs

Improved and safe Baucau to Viqueque highway

Institutional strengthening and capacity building

### Status of Implementation Progress (Outputs, Activities, and Issues)

Civil works for Baucau to Venilale is 30.09% complete, and Venilale to Viqueque is 26.04% complete as of 25 August 2021.

MPW had expedited recruitment of staff to fill the vacant PMU posts to strengthen its capacity.

### Geographical Location

Baucau, Viqueque

## Safeguard Categories

### Environment

B

### Involuntary Resettlement

B

### Indigenous Peoples

C

## Summary of Environmental and Social Aspects

### Environmental Aspects

Following the process and procedures already established by the PMU, the environmental assessment is reported in the simplified environmental impact

statement (SEIS), which is equivalent to an initial environmental examination, including the inclusion of an environmental management plan (EMP). The SEIS has been reviewed by ADB to ensure that in addition to meeting the country safeguard system for environment, it complies with the requirements of ADB's Safeguard Policy Statement. Environmental impacts will be similar in scale to those of completed and ongoing national road projects. The main impacts will be during the construction stage and will include (i) vegetation and tree removal, and utilities relocation during site clearing and establishment works; (ii) dust, noise, runoff, sedimentation, and slope stability issues from earthworks, including excavations; and (iii) waste generation/management, spoil disposal, health and safety, and traffic management issues during construction activities. The road alignment traverses close to three protected areas. The potential impacts will largely be site-specific and readily mitigated through measures identified in the EMP. Few, if any, of the impacts will be irreversible. As reported in the SEIS, meaningful consultation was undertaken. The grievance redress mechanism established for ongoing projects is included in the SEIS, and will be implemented under the project. The draft SEIS has been disclosed on the ADB website and will be updated. Upon completion, it will be disclosed locally. The process of minerals license application will require preparation of a location application, mining plan, and site-specific EMP for each new materials source. Training and support will be provided by construction supervision consultants to the successful contractor to prepare and implement the construction EMP, submit the minerals license applications, and monitor construction EMP compliance. Capacity building of DRBFC environmental safeguards staff will be provided through mentoring and on-the-job training by the PMU and construction supervision consultants, as detailed in the PAM. Particular conditions of contract in the bidding documents include provisions for the employer to enforce environment safeguards compliance by the contractor.

#### Involuntary Resettlement

A resettlement plan was prepared for the Baucau Venilale and Venilale Viqueque road sections based on the detailed design completed in 2015. These resettlement plans will be updated to validate all impacts. The improvement of roads is expected to be mostly within the existing road corridor, but will require small areas of agricultural land; removal of crops and trees; and permanent and temporary impacts on residential houses, shops, and roadside stalls and kiosks. There are an estimated 82 affected households or 402 affected persons, but only 34 households or 146 persons will experience significant impacts from physical and/or economic displacement. The MPWTC will ensure that affected persons receive entitlements and compensation following the resettlement plan. Key stakeholders and affected persons have been consulted during the resettlement plan preparation and disclosure, and will be further consulted during the resettlement plan update and implementation. The PMU will be responsible for overall monitoring and supervision of safeguards activities, working closely with the PISC. The capacity building of the DRBFC safeguard staff by the PMU is ongoing with ADB's financing through other road projects.

#### Indigenous Peoples

The project will not trigger ADB's Policy on Indigenous Peoples (1998) since no distinct or vulnerable indigenous groups will be affected by the project.

### **Stakeholder Communication, Participation, and Consultation**

#### During Project Design

The project has been designed in consultation with the government, including the

Ministry of Finance, Loan and PPP Unit, and Development Partner Monitoring Unit and Ministry of Public Works, Transport and Communications, Project Management Unit, and Maintenance Division. Development partners and non-government organizations active in the transport sector were also consulted. Landowners have also been consulted, especially those requiring resettlement or who have assets affected by the project. Meetings with sucos were arranged to help develop the gender action plan and poverty assessments. Separate meetings with men and women were held. Road users including drivers, and users of anggunas and microlets were also consulted.

#### During Project Implementation

Loan Agreements for the project signed on 23 November 2018. Loans were declared effective on 19 February 2019. As of August 2021, civil works for Baucau to Venilale is 30.09% complete, and Venilale to Viqueque is 26.04% complete.

## **Business Opportunities**

#### Consulting Services

An estimated 930 person-months (330 international, 600 national) of consulting services are required to (i) facilitate project management, (ii) provide construction supervision services, and (iii) implement and monitor environmental and social mitigation measures. Consulting firms will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality:cost ratio of 90:10 and quality based selection where appropriate. Individual consultants will be recruited using Individual Consultant Selection (ICS).

#### Procurement

See Procurement plan of this project.

## **Contact**

Responsible ADB Officer

Kailasam, Ganesh

Responsible ADB Department

Sectors Group

Responsible ADB Division

Transport Sector Office (SG-TRA)

Executing Agencies

*Council for Administration of the Infrastructure Fund*

*Ministry of Public Works*

## **Timetable**

Concept Clearance

30 May 2017

Fact Finding

18 May 2017 to 01 Jun 2017

MRM

28 Jul 2017

Approval

21 Feb 2018

Last Review Mission

Last PDS Update  
13 Jul 2022

## Funding

### Loan 3643-TIM

#### Milestones

| Approval    | Signing Date | Effectivity Date | Closing     |             |        |
|-------------|--------------|------------------|-------------|-------------|--------|
|             |              |                  | Original    | Revised     | Actual |
| 21 Feb 2018 | 23 Nov 2018  | 19 Feb 2019      | 31 Dec 2021 | 31 Dec 2025 | -      |

#### Financing Plan

| Total (Amount in US\$ million) |       |
|--------------------------------|-------|
| Project Cost                   | 52.78 |
| ADB                            | 19.00 |
| Counterpart                    | 33.78 |
| Cofinancing                    | 0.00  |

#### Loan Utilization

|                            | Date        | ADB   | Others | Net Percentage |
|----------------------------|-------------|-------|--------|----------------|
| Cumulative Contract Awards | 29 Jul 2024 | 12.24 | 0.00   | 64%            |
| Cumulative Disbursements   | 29 Jul 2024 | 7.84  | 0.00   | 41%            |

#### Status of Covenants

| Category | Sector | Safeguards   | Social       | Financial    | Economic | Others       |
|----------|--------|--------------|--------------|--------------|----------|--------------|
| Rating   | -      | Satisfactory | Satisfactory | Satisfactory | -        | Satisfactory |

### Loan 3644-TIM

#### Milestones

| Approval    | Signing Date | Effectivity Date | Closing     |             |        |
|-------------|--------------|------------------|-------------|-------------|--------|
|             |              |                  | Original    | Revised     | Actual |
| 21 Feb 2018 | 23 Nov 2018  | 19 Feb 2019      | 31 Dec 2021 | 31 Dec 2025 | -      |

#### Financing Plan

| Total (Amount in US\$ million) |       |
|--------------------------------|-------|
| Project Cost                   | 25.00 |
| ADB                            | 25.00 |
| Counterpart                    | 0.00  |
| Cofinancing                    | 0.00  |

#### Loan Utilization

|                            | Date        | ADB   | Others | Net Percentage |
|----------------------------|-------------|-------|--------|----------------|
| Cumulative Contract Awards | 29 Jul 2024 | 15.82 | 0.00   | 63%            |

|                          | <b>Date</b>   | <b>ADB</b>        | <b>Others</b> | <b>Net Percentage</b> |                 |               |
|--------------------------|---------------|-------------------|---------------|-----------------------|-----------------|---------------|
| Cumulative Disbursements | 29 Jul 2024   | 13.39             | 0.00          | 54%                   |                 |               |
| Status of Covenants      |               |                   |               |                       |                 |               |
| <b>Category</b>          | <b>Sector</b> | <b>Safeguards</b> | <b>Social</b> | <b>Financial</b>      | <b>Economic</b> | <b>Others</b> |
| <b>Rating</b>            | -             | Satisfactory      | Satisfactory  | Satisfactory          | -               | Satisfactory  |

## TA 9502-TIM

### Milestones

| <b>Approval</b> | <b>Signing Date</b> | <b>Effectivity Date</b> | <b>Closing</b>  |                |               |
|-----------------|---------------------|-------------------------|-----------------|----------------|---------------|
|                 |                     |                         | <b>Original</b> | <b>Revised</b> | <b>Actual</b> |
| 21 Feb 2018     | 09 Oct 2018         | 09 Oct 2018             | 31 Dec 2020     | 31 Dec 2022    | 16 Feb 2023   |

### Financing Plan/TA Utilization

| <b>ADB</b>   | <b>Cofinancing</b> | <b>Counterpart</b> |                      |                        |               | <b>Total</b> |
|--------------|--------------------|--------------------|----------------------|------------------------|---------------|--------------|
|              |                    | <b>Gov</b>         | <b>Beneficiaries</b> | <b>Project Sponsor</b> | <b>Others</b> |              |
| 1,000,000.00 | 0.00               | 0.00               | 0.00                 | 0.00                   | 0.00          | 1,000,000.00 |

### Cumulative Disbursements

| <b>Date</b> | <b>Amount</b> |
|-------------|---------------|
| 29 Jul 2024 | 927,120.05    |

### Status of Covenants

| <b>Category</b> | <b>Sector</b> | <b>Safeguards</b> | <b>Social</b> | <b>Financial</b> | <b>Economic</b> | <b>Others</b> |
|-----------------|---------------|-------------------|---------------|------------------|-----------------|---------------|
| <b>Rating</b>   | -             | Satisfactory      | Satisfactory  | Satisfactory     | -               | Satisfactory  |

Project Page <https://www.adb.org/projects/51115-001/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=51115-001>

Date Generated 02 August 2024

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