

# Project Administration Manual

Project Number: 53395-001  
Loan and/or Grant Number: LXXXX; GXXXX  
June 2021

Democratic Republic of Timor-Leste: Water Supply  
and Sanitation Investment Project

## ABBREVIATIONS

ADB	–	Asian Development Bank
ADF	–	Asian Development Fund
AH	–	affected household
AP	–	affected person
APFS	–	audited project financial statements
COVID-19	–	coronavirus disease
CQS	–	consultant qualification selection
DGAS	–	Directorate General for Water and Sanitation
DMF	–	design and monitoring framework
EIA	–	environmental impact assessment
EMP	–	environmental management plan
ESMS	–	environmental and social management system
FMA	–	financial management assessment
GAP	–	gender action plan
GDP	–	gross domestic product
GRM	–	grievance redress mechanism
ICB	–	international competitive bidding
IEE	–	initial environmental examination
IPP	–	indigenous people plan
LAR	–	land acquisition and resettlement
LCS	–	least cost selection
LIBOR	–	London interbank offered rate
MPW	–	Ministry of Public Works
NCB	–	national competitive bidding
NGOs	–	nongovernment organizations
NRW	–	nonrevenue water
PAI	–	project administration instructions
PAM	–	project administration manual
PFM	–	project financial management
PMU	–	project management unit
PP	–	participation plan
PSC	–	project supervision consultant
QCBS	–	quality- and cost-based selection
REA	–	rapid environment assessment
RRP	–	Report and Recommendation of the President to the Board
SBD	–	standard bidding documents
SCS	–	stakeholder communication strategy
SOE	–	statement of expenditure
SPS	–	Safeguard Policy Statement
SPRSS	–	summary poverty reduction and social strategy
TOR	–	terms of reference

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### **Project Administration Manual Purpose and Process**

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Finance (executing agency) and the Ministry of Public Works (implementing agency) are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by the executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan/grant agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan/grant agreement, the provisions of the loan/grant agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.





## I. PROJECT DESCRIPTION

1. The project will support the Government of Timor-Leste to provide safe, reliable, and affordable water supply and sanitation to 62,000 people in three project cities of Lospalos, Viqueque, and Same.<sup>1</sup> It will (i) finance the construction of new facilities for water supply and sanitation services and (ii) strengthen the regulatory and institutional capacity of both the Ministry of Public Works (MPW); the Municipal Water, Sanitation, and Environment Services (SMASAs); and the newly established state-owned water utility, Bee Timor-Leste (BTL), in service delivery, planning, financial management, and operation and maintenance (O&M). The project is aligned with the Timor-Leste Strategic Development Plan (2011–2030) and will contribute to the country's response to the coronavirus disease (COVID-19) pandemic by improving the overall health and hygiene of the population of the project cities.<sup>2</sup>

### A. Impact and Outcome

2. **Impact:** 100% water supply and sanitation service coverage by 2030 (footnote 2).

3. **Outcome:** inclusive and sustainable access to water supply and sanitation services in project cities achieved.

### B. Outputs

4. **Output 1: Regulatory environment improved.** The project will support the project cities in developing, approving, and implementing a gender and socially inclusive institutional development roadmap that will guide the transfer of urban water supply and sanitation functions of the SMASAs to BTL, the newly established state-owned utility, with consideration for appropriate information and communication technology, and digital solutions to improve efficiency in public service management.<sup>3</sup> At the sector level, the project will support BTL in establishing service delivery guidelines on water supply and preparing a sanitation action plan for citywide inclusive sanitation.<sup>4</sup>

5. **Output 2: Water supply and sanitation infrastructure improved.** The project will improve access to inclusive water supply and sanitation infrastructure in the three project cities through: (i) construction of 14 water supply storage and 7 treatment facilities; (ii) rehabilitation and expansion of the 130 km of water supply distribution network and formation of district metered areas; (iii) installation of meters for 10,000 household connections; and (iv) construction of 12 public toilets and 3 septage treatment facilities, including septage collection and transport.

6. **Output 3: Institutional effectiveness improved.** To ensure that infrastructure created under the project deliver services efficiently, the project will enhance the capacity of BTL and the SMASAs to plan, deliver, operate, and maintain water supply and sanitation infrastructure over the long-term. Women's participation in the sector will be encouraged including through enhanced job skills training for both women and men water services employees. To monitor institutional effectiveness, the project will develop and implement customer service feedback and complaint

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<sup>1</sup> Timor-Leste comprises 13 Municipalities. Lospalos, Viqueque, and Same are the capital cities of Lautem Municipality, Viqueque Municipality, and Manufahi Municipality, respectively.

<sup>2</sup> Government of Timor-Leste. 2011. *Timor-Leste Strategic Development Plan (2011–2030)*. Dili.

<sup>3</sup> The roadmap will cover key aspects of planning, service delivery, and financial management, and identify solutions that will be implemented over the project period.

<sup>4</sup> Citywide inclusive sanitation aims to achieve the following: (i) everyone in the city has access to and benefits from sustainable sanitation services, and (ii) human waste is safely managed along the whole sanitation service chain.

mechanism that ensures accessibility and responsiveness to the specific needs of both male and female customers. Improved O&M arrangements will also be developed to enhance the sustainability of the project assets and services.

7. The project will comprise infrastructure investments and support for improving regulatory and institutional capacity to provide a holistic approach to improve water supply and sanitation access. An ADB-financed ongoing TA is supporting DGAS transition to a state-owned water utility, BTL.<sup>5</sup>

## II. IMPLEMENTATION PLANS

### A. Project Readiness Activities

**Table 1: Project Readiness**

Indicative Activities	Months								Responsible Party
	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	
Advance contracting actions and recruitment of PSC									ADB/Government
Establish project implementation arrangements									Government
Disclosure of safeguard documents									ADB
ADB Board approval									ADB
Loan and grant signing									ADB/Government
Government legal opinion provided									Government
Loan effectiveness									ADB

ADB = Asian Development Bank, PSC = project supervision consultant.

Source: Asian Development Bank.

### B. Overall Project Implementation Plan

8. A project implementation plan recording outputs with key implementation activities on a quarterly basis is provided in Table 2 below. The project implementation plan shall be updated annually and submitted to ADB with contract and disbursement projections for the following year.

<sup>5</sup> ADB. 2019. [Implementing Reforms for Growth and Competitiveness](#). Manila.

Table 2: Project Implementation Plan

	2021				2022				2023				2024				2025				2026				2027				2028			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
<b>A. DMF</b>																																
<b>Output 1: Regulatory environment improved</b>																																
Conduct sector and regulatory review																																
Develop a socially and gender-inclusive institutional development road map																																
Implement institutional development road map																																
<b>Output 2: Water supply and sanitation infrastructure improved</b>																																
Complete construction and implementation																																
<b>Output 3: Institutional effectiveness improved</b>																																
Develop O&M regime																																
Implement O&M regime, services and, training program																																
Develop and implement customer service feedback and complaint procedures																																
<b>B. Management Activities</b>																																
Recruitment of PSC																																
Project management and supervision																																
Implementation of the GAP																																
Project completion report																																

DMF = design and monitoring framework; GAP = gender action plan; O&M = operation and maintenance, PSC = project supervision consultant.

Source: Asian Development Bank.

### III. PROJECT MANAGEMENT ARRANGEMENTS

#### A. Project Implementation Organizations: Roles and Responsibilities

**Table 3: Project Implementation Organization**

Project Implementation Organizations	Management Roles and Responsibilities
MOF	<ul style="list-style-type: none"> <li>• Sign legal agreements on behalf of the government with ADB.</li> <li>• Oversight of the advance account.</li> <li>• Submit withdrawal applications to ADB.</li> <li>• Ensure compliance with all loan covenants.</li> </ul>
EA • CAFI	<ul style="list-style-type: none"> <li>• Provision of guidance and policy direction to facilitate project implementation.</li> <li>• Ensuring compliance with loan covenants, as agreed with ADB.</li> <li>• Facilitate interagency and inter-ministerial coordination.</li> <li>• Coordination of discussion among national level agencies.</li> <li>• Responsible for overall project management and implementation.</li> <li>• Manage provision of counterpart funding and loan proceeds in respect of government's internal procedures.</li> <li>• Ensure the compliance with loan covenants.</li> <li>• Overall supervision of, and responsibility for, safeguards implementation.</li> <li>• Support ADB project review missions.</li> </ul>
PMU	<ul style="list-style-type: none"> <li>• Day-to-day project management, supervision and administration including programming, budgeting, financial planning, and accounting.</li> <li>• Project performance monitoring and progress reporting, including GAP implementation.</li> <li>• Management of technical design, environment, resettlement, social and gender safeguard policy provisions, and national legislative requirements.</li> <li>• Clearance of the CEMP.</li> <li>• Administration and management of the advance account, including preparation of financial reports.</li> <li>• Preparation of reports required under the loan agreement.</li> </ul>
IA • MPW	<ul style="list-style-type: none"> <li>• Focal agency to ADB.</li> <li>• Overall responsibility for project implementation including procurement, financial management, environment, resettlement, social and gender safeguards and project reporting and administration.</li> <li>• Provision of assistance and guidance to project management unit.</li> <li>• Accountable for compliance and adherence to loan agreement.</li> <li>• Administration of the advance account.</li> <li>• Oversee the preparation of audited project financial statements.</li> <li>• Administration of loan disbursements.</li> </ul>
MPS	<ul style="list-style-type: none"> <li>• Provide technical and administrative support to the EA.</li> </ul>
NPC	<ul style="list-style-type: none"> <li>• Prepare bidding documents and manage procurement of goods, works and consulting services.</li> <li>• Secure prior approval of ADB for procurement actions where such prior approval is required in the procurement plan.</li> </ul>
ADN	<ul style="list-style-type: none"> <li>• Review quality of implementation including design and specifications.</li> <li>• Verify contract implementation and recommend payments.</li> </ul>
ADB	<ul style="list-style-type: none"> <li>• Project administration, including procurement review and support, public financial management, safeguards, social and gender monitoring, and supervision.</li> </ul>

ADB = Asian Development Bank, ADN = National Development Agency, CAFI = Council of Administration of Infrastructure Fund, CEMP = construction environmental management plan, EA = executing agency, GAP = Gender Action Plan; IA = implementing agency, MOF = Ministry of Finance, MPS = Major Project Secretariat, MPW = Ministry of Public Works, NPC = National Procurement Commission, PMU = Project Management Unit.

Source: Asian Development Bank.

**B. Key Persons Involved in Implementation****Executing Agency**

Administrative Council of the  
Infrastructure Fund

Mr. Krispin Fernandes  
Director for Major Project Secretariat  
Telephone No: 670 7725 3993  
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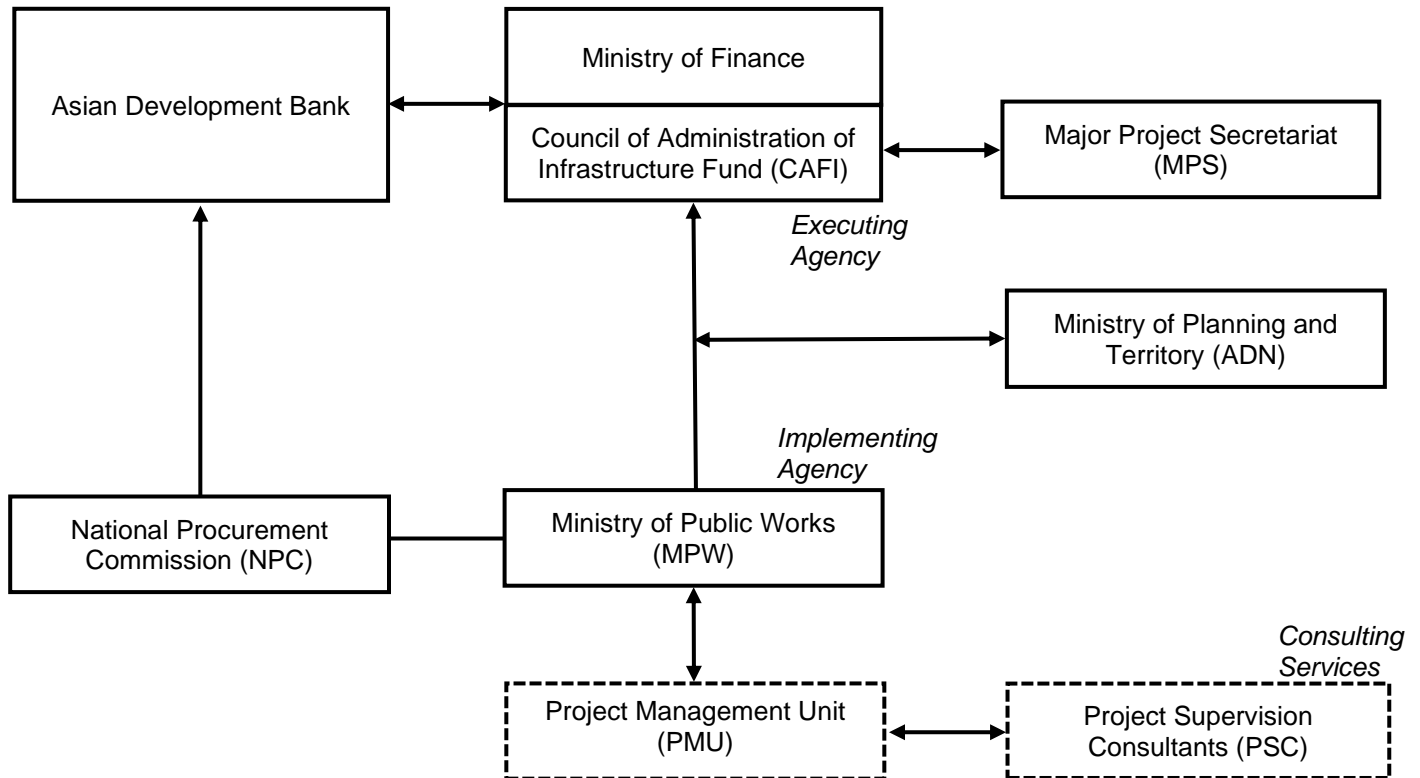
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### C. Project Organization Structure

9. The flow chart of the project organization will be as follows.<sup>6</sup>

**Figure 1: Project Organization Structure**



<sup>6</sup> A state-owned public institution (Bee Timor-Leste, E.P.), has been duly established with legal personality and capacity, administrative and financial autonomy, governed by the Decree-Law 41/2020 of 25 September 2020 ("BTL"), which is mandated succession of the rights, obligations and assets regarding water and sanitation under the Ministry of Public Works direct administration.

#### IV. COSTS AND FINANCING

10. The project is estimated to cost \$62.5 million. The financing plan is in Table 4 below.

**Table 4: Summary Cost Estimates**  
(\$ million)

Item	Amount <sup>a</sup>
<b>A Base Cost<sup>b</sup></b>	
Output 1: Regulatory environment improved	1.2
Output 2: Water supply and sanitation infrastructure improved	47.7
Output 3: Institutional effectiveness improved	1.7
<b>Subtotal (A)<sup>c</sup></b>	<b>50.6</b>
<b>B Contingencies<sup>c</sup></b>	<b>9.5</b>
<b>C Financing Charges During Implementation<sup>d</sup></b>	<b>2.4</b>
<b>Total (A+B+C)</b>	<b>62.5</b>

<sup>a</sup> Includes taxes and duties of \$1.54 million to be financed by the government in cash. Such amount does not represent an excessive share of the project cost. The government will finance taxes and duties of \$1.54 million in cash.

<sup>b</sup> In mid-2020 prices as of October 2020.

<sup>c</sup> Physical and price contingencies, and a provision for exchange rate fluctuation are included.

<sup>d</sup> Includes interest on all sources of financing.

Source: Asian Development Bank.

11. The government has requested (i) a concessional loan of \$47.0 million from ADB's ordinary capital resources; and (ii) a grant not exceeding \$3.0 million from Global Environment Facility (GEF), to help finance the project. The loan will have a 25-year term, including a grace period of 5 years, an interest rate of 2.0% per year; and such other terms set forth in the draft loan and grant agreement. The government will contribute \$12.5 million for civil works, land acquisition and compensation cost, O&M, and taxes and duties. ADB loan and GEF grant will finance the expenditures related to equipment and consulting services for strengthening the project climate resilience such as control systems and water meters. In addition, ADB loan will also finance expenditures in relation to equipment, consulting services and audit cost.

12. The summary financing plan is in **Table 5**.

**Table 5: Summary Financing Plan**

Source	Amount (\$ million)	Share of Total
Asian Development Bank		
Ordinary Capital Resources (concessional loan)	47.0	75.2%
Global Environment Facility <sup>a</sup> (grant)	3.0	4.8%
Government	12.5	20.0%
<b>Total</b>	<b>\$62.5</b>	<b>100.0%</b>

<sup>a</sup> Fully administered by the Asian Development Bank.

Source: Asian Development Bank.

13. Climate adaptation is estimated to cost \$6.45 million for measures to improve monitoring of water quality, reliability, and outages, enhancing the resilience of the water supply schemes, including leakage detection, and capacity building to strengthen understanding and knowledge in disaster risk management and climate change.

## A. Cost Estimates Preparation and Revisions

14. Cost estimates have been prepared based on the preliminary detailed engineering design for the three project cities, and unit prices for other similar water supply projects. The cost estimates will be updated during project implementation.

## B. Key Assumptions

15. The following key assumptions underpin the cost estimates and financing plan:

- (i) No exchange rates are applied, as the currency used in Timor-Leste is US dollars.
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

**Table 6: Escalation Rates for Price Contingency Calculation**

Item	2021	2022	2023	2024	2025	2026	Average
Foreign rate of price inflation	1.6%	1.7%	1.7%	1.8%	1.8%	1.8%	1.8%
Domestic rate of price inflation	1.0%	2.0%	2.0%	2.0%	2.0%	2.0%	1.9%

Source: Asian Development Bank.

- (iii) In-kind contributions were estimated based on prevailing rates.



### C. Detailed Cost Estimates by Expenditure Category

**Table 7: Cost Estimates by Expenditure Category**  
(\$ million)

	Item	Foreign	Local	Total	% of Total Base Cost
<b>A. Investment Costs</b>					
1	Civil Works	9.3	22.3	31.6	62.4%
2	Mechanical and Equipment	5.6	1.1	6.7	13.3%
3	Land acquisition and compensation	-	0.1	0.1	0.3%
4	Consultancy and Training	1.8	5.5	7.3	14.3%
	a. Project Management Consultants	1.6	5.3	6.9	13.6%
	b. Capacity Development	0.2	0.1	0.4	0.8%
	<b>Subtotal (A)</b>	<b>16.7</b>	<b>29.0</b>	<b>45.7</b>	<b>90.3%</b>
<b>B. Recurrent Costs</b>					
1	O&M Cost	0.8	2.3	3.1	6.0%
2	Running Costs	-	1.4	1.4	2.8%
3	Service Contracts	-	0.1	0.1	0.1%
4	Financial audit costs	-	0.4	0.4	0.8%
	<b>Subtotal (B)</b>	<b>0.8</b>	<b>4.2</b>	<b>4.9</b>	<b>9.7%</b>
	<b>Total Base Cost (A+B)</b>	<b>17.4</b>	<b>33.2</b>	<b>50.6</b>	<b>100.0%</b>
<b>C. Contingencies</b>					
1	Physical	2.0	3.9	5.9	11.7%
2	Price	1.3	2.4	3.6	7.2%
	<b>Subtotal (C)</b>	<b>3.3</b>	<b>6.3</b>	<b>9.5</b>	<b>18.9%</b>
<b>D. Financing Charges During Implementation</b>					
1	Interest during construction	2.4	-	2.4	4.7%
	<b>Subtotal (D)</b>	<b>2.4</b>	<b>-</b>	<b>2.4</b>	<b>4.7%</b>
<b>Total Project Costs (A+B+C+D)</b>		<b>23.1</b>	<b>39.4</b>	<b>62.5</b>	<b>123.5%</b>

Notes: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

**D. Allocation and Withdrawal of Loan and Grant Proceeds****Table 8: Allocation and Withdrawal of ADB Loan Proceeds**

<b>No.</b>	<b>Item</b>	<b>Amount Allocated for ADB Loan Financing Category (\$)</b>	<b>Basis for Withdrawal from the Loan Account</b>
1	Civil works	25,332,876	81.9% of total expenditure claimed*
2	Equipment	4,187,416	63.6% of total expenditure claimed*
3	Project management consultant	5,741,260	92.0% of total expenditure claimed*
4	Capacity development	280,000	73.7% of total expenditure claimed*
5	Recurrent costs	1,770,000	100.0% of total expenditure claimed*
6	Interest charges	2,358,526	100.0% of amount due
7	Unallocated	7,329,922	
	<b>Total</b>	<b>47,000,000</b>	

\* Exclusive of taxes and duties imposed within the territory of the Borrower.

ADB = Asian Development Bank.

Source: Asian Development Bank estimates.

**Table 9: Allocation and Withdrawal of Grant Proceeds  
(Global Environment Facility Grant)**

<b>No.</b>	<b>Item</b>	<b>Amount Allocated for GEF Financing Category (\$)</b>	<b>Basis for Withdrawal from the Loan Account</b>
1	Equipment	2,400,000	36.4% of total expenditure claimed*
2	Project management consultant	500,000	8.0% of total expenditure claimed*
3	Capacity development	100,000	26.3% of total expenditure claimed*
	<b>Total</b>	<b>3,000,000</b>	

\* Exclusive of taxes and duties imposed within the territory of the recipient.

ADB = Asian Development Bank.

Source: Asian Development Bank estimates.

# E. Detailed Cost Estimates by Financier

**Table 10: Detailed Cost Estimates by Financier**  
(\$ million)

Item	ADB Loan			GEF		GOTL		Total Cost
	Amount	% of cost category	Amount	% of cost category	Amount	% of cost category	Amount	Taxes and Duties
<b>A. Investment Costs</b>								
1 Civil Works	25.3	80.3%	-	0.0	6.2	19.7	31.6	0.62
2 Mechanical and Equipment	4.2	62.3%	2.4	35.7%	0.1	2.0%	6.7	0.13
3 Land acquisition and compensation	-	0.0%	-	0.0%	0.1	100.0%	0.15	-
4 Consultancy and Training	6.0	82.9	0.6	8.3	0.6	8.8	7.3	0.64
a. Project Management Consultants	5.7	83.6%	0.5	7.3%	0.6	9.1%	6.9	0.62
b. Capacity Development	0.3	70.9%	0.1	25.3%	0.0	3.8%	0.4	0.02
<b>Subtotal (A)</b>	<b>35.5</b>	<b>77.8%</b>	<b>3.0</b>	<b>6.6%</b>	<b>7.1</b>	<b>15.6%</b>	<b>45.7</b>	<b>1.39</b>
<b>B Recurrent Costs</b>								
1 O&M Cost	-	0.0%	-	0.0%	3.1	100.0%	3.1	0.06
2 Running Costs	1.4	96.2%	-	0.0%	0.1	3.8%	1.4	0.05
3 Service Contracts	0.1	96.2%	-	0.0%	0.0	3.8%	0.1	0.00
4. Financial audit costs	0.4	90.9%	-	0.0%	0.0	9.1%	0.4	0.04
<b>Subtotal (B)</b>	<b>1.8</b>	<b>36.0%</b>	<b>-</b>	<b>0.0%</b>	<b>3.2</b>	<b>64.0%</b>	<b>4.9</b>	<b>0.15</b>
<b>Total Base Cost (A+B)</b>	<b>37.3</b>	<b>73.7%</b>	<b>3.0</b>	<b>5.9%</b>	<b>10.3</b>	<b>20.3</b>	<b>50.6</b>	<b>1.54</b>
<b>C. Contingencies</b>								
1 Physical	4.5	77.0%	-	0.0%	1.4	23.0%	5.9	-
2 Price	2.8	76.5%	-	0.0%	0.9	23.5%	3.6	-
<b>Subtotal (C)</b>	<b>7.3</b>	<b>76.8%</b>	<b>-</b>	<b>0.0%</b>	<b>2.2</b>	<b>23.2%</b>	<b>9.5</b>	<b>-</b>
<b>D Financing Charges During Implementation</b>								
1 Interest during construction	2.4	100.0%	-	0.0%	-	0.0%	2.4	-
<b>Subtotal (D)</b>	<b>2.4</b>	<b>100.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>2.4</b>	<b>-</b>
<b>Total Project Costs (A+B+C+D)</b>	<b>47.0</b>	<b>75.2%</b>	<b>3.0</b>	<b>4.8%</b>	<b>12.5</b>	<b>20.0%</b>	<b>62.5</b>	<b>1.54</b>

ADB = Asian Development Bank, GEF = Global Environment Facility, GOTL = Government of Timor-Leste, O&M = operation and maintenance.

<sup>a</sup> Running costs comprise costs for vehicles, car maintenance, fuel, furniture, IT equipment, and software etc.

Note: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

## F. Detailed Cost Estimates by Outputs

**Table 11: Detailed Cost Estimates by Outputs**  
(\$ million)

Item	Output 1		Output 2		Output 3		Total Cost
	Amount	% of cost category	Amount	% of cost category	Amount	% of cost category	Amount
<b>A. Investment Costs</b>							
1 Civil Works	-	0.0%	31.6	100.0%	-	0.0%	31.6
2 Mechanical and Equipment	-	0.0%	6.7	100.0%	-	0.0%	6.7
3 Land acquisition and compensation	-	0.0%	0.1	100.0%	-	0.0%	0.1
4 Consultancy and Training	1.1	14.9%	4.8	66.2%	1.4	18.9%	7.3
a. Project Management Consultants	0.7	10.0%	4.8	70.0%	1.4	20.0%	6.9
b. Capacity Development	0.4	100.0%	-	0.0%	-	0.0%	0.4
<b>Subtotal (A)</b>	<b>1.1</b>	<b>2.4</b>	<b>43.2</b>	<b>94.6%</b>	<b>1.4</b>	<b>3.0%</b>	<b>45.7</b>
<b>B. Recurrent Costs</b>							
1 O&M Cost	-	0.0%	3.1	100.0%	-	0.0%	3.1
2 Running Costs	0.1	10.0%	1.0	70.0%	0.3	20.0%	1.4
3 Service Contracts	-	0.0%	0.1	100.0%	-	0.0%	0.1
4 Financial audit costs	-	0.0%	0.4	100.0%	-	0.0%	0.4
<b>Subtotal (B)</b>	<b>0.1</b>	<b>2.9</b>	<b>4.5</b>	<b>91.4%</b>	<b>0.3</b>	<b>5.7%</b>	<b>4.9</b>
<b>Total Base Cost (A+B)</b>	<b>1.2</b>	<b>2.4%</b>	<b>47.7</b>	<b>94.3%</b>	<b>1.7</b>	<b>3.3%</b>	<b>50.6</b>
<b>C. Contingencies</b>							
1 Physical	0.1	2.4%	5.6	94.3%	0.2	3.3%	5.9
2 Price	0.1	2.4%	3.4	94.3%	0.1	3.3%	3.6
<b>Subtotal (C)</b>	<b>0.2</b>	<b>2.4%</b>	<b>9.0</b>	<b>94.3%</b>	<b>0.3</b>	<b>3.3%</b>	<b>9.5</b>
<b>D. Financing Charges During Implementation</b>							
1 Interest during construction	0.1	2.4%	2.2	94.3%	0.1	3.3%	2.4
<b>Subtotal (D)</b>	<b>0.1</b>	<b>2.4%</b>	<b>2.2</b>	<b>94.3%</b>	<b>0.1</b>	<b>3.3%</b>	<b>2.4</b>
<b>Total Project Costs (A+B+C+D)</b>	<b>1.5</b>	<b>2.4%</b>	<b>58.9</b>	<b>94.3%</b>	<b>2.0</b>	<b>3.3%</b>	<b>62.5</b>

Notes: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

## G. Detailed Cost Estimates by Year

**Table 12: Detailed Cost Estimate by Year**  
(\$ million)

Item	2022	2023	2024	2025	2026	2027	2028	Total Cost
<b>A. Investment Costs</b>								
1 Civil Works	5.6	7.4	7.4	7.4	3.7	-	-	31.6
2 Mechanical and Equipment	1.2	1.6	1.6	1.6	0.8	-	-	6.7
3 Land acquisition and compensation	0.1	-	-	-	-	-	-	0.1
4 Consultancy and Training	1.5	1.4	1.3	1.3	1.3	0.2	0.2	7.3
a. Project Management Consultants	1.4	1.3	1.2	1.2	1.3	0.2	0.2	6.9
b. Capacity Development	0.1	0.1	0.1	0.1	0.0	-	-	0.4
<b>Subtotal (A)</b>	<b>8.4</b>	<b>10.4</b>	<b>10.3</b>	<b>10.3</b>	<b>5.8</b>	<b>0.2</b>	<b>0.2</b>	<b>45.7</b>
<b>B. Recurrent Costs</b>								
1 O&M Cost	-	-	-	-	-	1.5	1.5	3.1
2 Running Costs	0.6	0.3	0.3	0.1	0.1	-	-	1.4
3 Service Contracts	0.0	0.0	0.0	0.0	0.0	-	-	0.1
4 Financial audit costs	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.4
<b>Subtotal (B)</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>1.6</b>	<b>1.6</b>	<b>4.9</b>
<b>Total Base Cost (A+B)</b>	<b>9.1</b>	<b>10.7</b>	<b>10.6</b>	<b>10.5</b>	<b>6.0</b>	<b>1.8</b>	<b>1.8</b>	<b>50.6</b>
<b>C. Contingencies</b>								
1 Physical	1.1	1.3	1.3	1.3	0.7	0.2	0.2	6.1
2 Price	0.2	0.4	0.7	0.9	0.6	0.2	0.4	3.5
<b>Subtotal (C)</b>	<b>1.3</b>	<b>1.7</b>	<b>1.9</b>	<b>2.1</b>	<b>1.4</b>	<b>0.4</b>	<b>0.6</b>	<b>9.5</b>
<b>D. Financing Charges During Implementation (FCDI)</b>								
1 Interest during construction	0.1	0.3	0.5	0.7	0.9	-	-	2.4
<b>Subtotal (D)</b>	<b>0.1</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>2.4</b>
<b>Total Project Costs (A+B+C+D)</b>	<b>10.4</b>	<b>12.8</b>	<b>13.0</b>	<b>13.3</b>	<b>8.3</b>	<b>2.2</b>	<b>2.4</b>	<b>62.5</b>
<b>% of cost category</b>	<b>16.7%</b>	<b>20.4%</b>	<b>20.9%</b>	<b>21.3%</b>	<b>13.2%</b>	<b>3.6%</b>	<b>3.9%</b>	<b>100.0%</b>

Notes: Numbers may not sum precisely because of rounding.

Source: Asian Development Bank estimates.

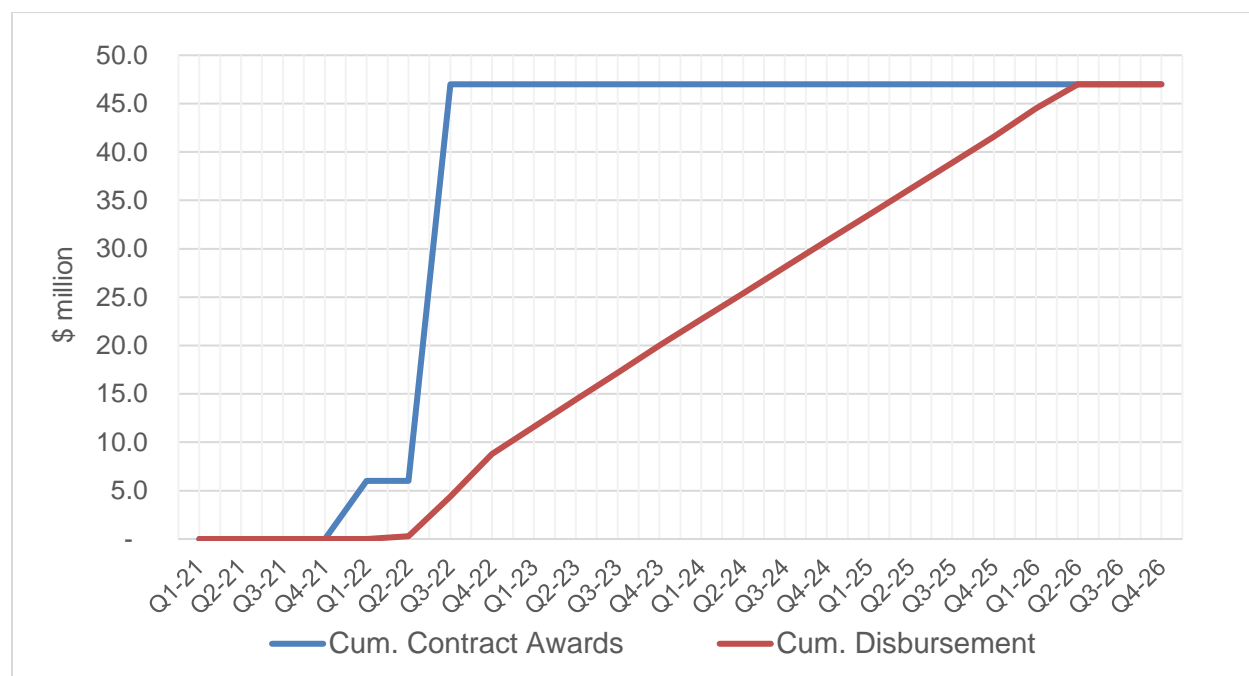
## H. Contract and Disbursement S-Curve

16. The following tables and graphs show the contract awards and disbursements over the life of the project.

**Table 13: Contract Awards and Disbursements for ADB Loan (OCR)**

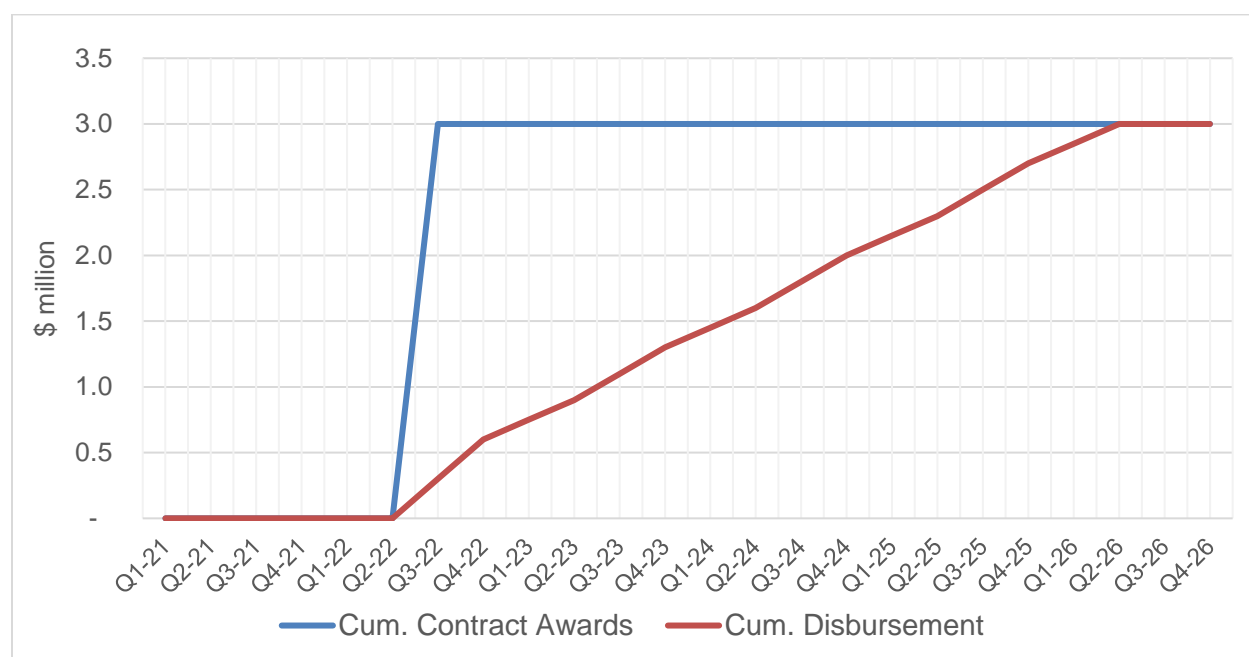
	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2021</b>	-	-	-	-	-	-	-	-	-	-
<b>2022</b>	6.0	-	41.0	-	47.0	-	0.3	4.1	4.4	8.7
<b>2023</b>	-	-	-	-	-	2.8	2.8	2.8	2.8	11.0
<b>2024</b>	-	-	-	-	-	2.7	2.7	2.7	2.7	10.7
<b>2025</b>	-	-	-	-	-	2.7	2.7	2.7	2.7	10.9
<b>2026</b>	-	-	-	-	-	2.9	2.8	-	-	5.6
					<b>47.0</b>					<b>47.0</b>

**Figure 2: Contract Award and Disbursement S-Curve for ADB Loan**

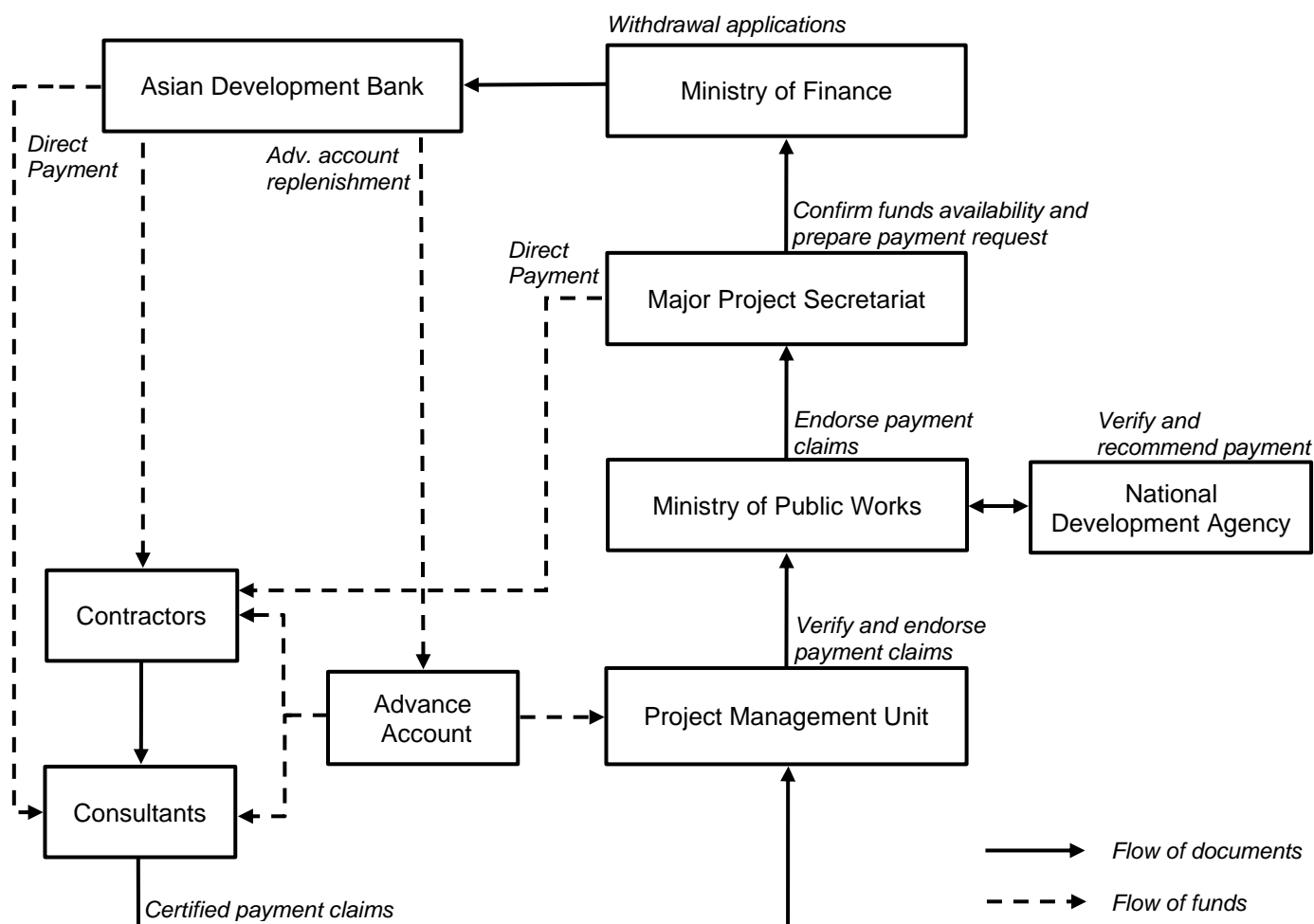


**Table 14: Contract Awards and Disbursements for GEF Grant**

	Contract Awards					Disbursements				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>2021</b>	-	-	-	-	-	-	-	-	-	-
<b>2022</b>	-	-	3.0	-	3.0	-	-	0.3	0.3	0.6
<b>2023</b>	-	-	-	-	-	0.2	0.2	0.2	0.2	0.7
<b>2024</b>	-	-	-	-	-	0.2	0.2	0.2	0.2	0.7
<b>2025</b>	-	-	-	-	-	0.2	0.2	0.2	0.2	0.7
<b>2026</b>	-	-	-	-	-	0.2	0.2	-	-	0.3
					<b>3.0</b>					<b>3.0</b>

**Figure 3: Contract Award and Disbursement S-Curve for GEF Grant**

## I. Fund Flow Diagram<sup>7</sup>



ADB=Asian Development Bank, ADN = National Development Agency, CPV = cash payment voucher, GEF = Global Environment Facility, MOF = Ministry of Finance, MPW = Ministry of Public Works.

### Fund Flow Arrangements:

1. Government of Timor-Leste through MOF signs the loan and grant agreement with ADB. GEF authorizes/provides the grant funds.
2. PMU submits requests through MPW to Treasury for approval of the advance account replenishments, direct payments, and reimbursements.
3. Treasury submits to ADB signed withdrawal applications for advance accounts replenishments, direct payments, and reimbursements.
4. ADB deposit advance accounts replenishments.
5. PMU processes and request approval through MPW to Treasury for disbursement from advance account.
6. Consultants submit contractors certified payment claims to PMU to be verified and endorsed for payment.
7. Consultants submit their payment claims to PMU to be certified and endorsed for payment.
8. PMU submit the payment claims and supporting documents from contractors and consultants through MPW to ADN for verification and payment recommendation.
9. After ADN recommendation, MPW submits the payment claims and supporting documents to MPS.
10. MPS confirm funds availability and pays directly claims of contractors and consultants from the counterpart funds portion.
11. MPS prepare payment request to Treasury for the ADB portion.

<sup>7</sup> ADB. 2015. *Financial Management Technical Guidance Note – Financial Management Assessment*. Manila.



12. ADB pays directly claims of contractors and consultants after receiving from Treasury the signed withdrawal application and supporting documents.

## V. FINANCIAL MANAGEMENT

### A. Financial Management Assessment

17. A financial management assessment (FMA) was carried out in October 2020 in accordance with ADB's *Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note*. The FMA examines the capacity of the Administrative Council of the Infrastructure Fund (CAFI) as the executing agency (EA) and the Ministry of Public Works (MPW) as the implementing agency (IA). The assessment included a review of the fund flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements, as well as the performance of the EA and the IA with respect to financial management and reporting obligations under the existing loan and grant agreements. The pre-mitigation financial management risk was assessed as *substantial*. Since the borrower has sufficient administrative experience to prepare and maintain SOE and advance account, SOE procedures and advance account will be used. The CAFI and MPW, the executing and implementing agencies respectively, have agreed to implement a Financial Management Action Plan (Table 15) to address the deficiencies.

**Table 15: Financial Management Action Plan**

<b>Key Risks</b>	<b>Agreed Action</b>	<b>Responsibility</b>	<b>Timelines</b>
<b>Implementing agency</b> Weak project financial management systems of implementing agencies	The PMU will set up project financial management systems to record, document, and report project financial data, and appoint an external auditor to periodically audit such data as required by ADB, separate from those required under government regulations.	MPW	within three months of loan effectiveness
<b>Staffing</b> Shortage of staff skilled in financial management	An international financial management specialist will be recruited as part of PSC to assist the PMU. ADB will provide training on ADB financial requirements and disbursement guidelines to the PMU.	ADB/PSC/PMU	within three months of loan effectiveness
<b>Internal Audit</b> Weak capacity of the Office of Internal Audit	The international financial management specialist of the PSC will develop an internal audit manual and provide training in audit control and procedures. The MPW will ensure that the government internal audit department includes the project in its annual internal audit program.	PSC/MPW	within three months of loan effectiveness, before three months of year-end
<b>External Audit</b> Delay of external audit process and low quality of APFS	External auditor for the project financial statement will be outsourced. TOR of the external auditor will be confirmed by ADB.	MPW	before three months of fiscal year-end
<b>Information Systems</b>	MPW will install an accounting software package and provide training	MPW/PMU	within three months of

Key Risks	Agreed Action	Responsibility	Timelines
Absence of accounting software and weak financial data backup systems	to PMU. PMU will undertake regular backups of all financial, accounting, and project-related data to be safely secured.		loan effectiveness

ADB = Asian Development Bank, MPW = Ministry of Public Works, PSC = Project Supervision Consultant, PMU = Project Management Unit, TOR = terms of reference.

## B. Disbursement

### 1. Disbursement Arrangements for ADB

18. The loan and grant proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time),<sup>8</sup> and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.<sup>9</sup> Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

19. **Advance fund procedure.** The government will establish two new advance accounts one each for the loan and grant at the Banco Nacional Ultramarino (BNU). The currency of the advance accounts is the US dollar. The advance accounts are to be used exclusively for ADB's funds share of eligible expenditures. The MOF will have oversight of the advance accounts, and the PMU will be responsible for the administration of the advance accounts and will be accountable and responsible for the proper use of advances to the advance accounts.

20. The total outstanding advance to each advance account should not exceed the estimate of ADB's share of expenditures to be paid through the respective advance account for the forthcoming 6 months. The EA may request for initial and additional advances to the advance accounts based on an Estimate of Expenditure Sheet<sup>10</sup> setting out the estimated expenditure to be financed through the account(s) for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the government in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time) when liquidating or replenishing the advance account.

21. **Statement of expenditure (SOE) procedure.**<sup>11</sup> The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance accounts. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit. Reimbursement and liquidation of individual payments should be supported by full documentation when submitting the withdrawal application to ADB.

<sup>8</sup> The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>)

<sup>9</sup> Disbursement eLearning. [http://wpqr4.adb.org/disbursement\\_elearning](http://wpqr4.adb.org/disbursement_elearning)

<sup>10</sup> Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),

<sup>11</sup> SOE forms are available in Appendix 7B of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

22. Before the submission of the first withdrawal application (WA), the government should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA is stipulated in the Loan Disbursement Handbook (2017, as amended from time to time). Individual payments below such amount should be paid (i) by the EA/IA/PMU and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The government should ensure sufficient category and contract balances before requesting disbursements. ADB reserves the right not to accept WAs below the minimum amount. Use of ADB's Client Portal for Disbursements (CPD)<sup>12</sup> system is encouraged for submission of withdrawal applications to ADB.

## **2. Disbursement Arrangements for Counterpart Fund**

23. The PMU will be responsible for the disbursement and liquidation procedures for government funds and will (i) prepare disbursement projections, and (ii) request budgetary allocations for counterpart funds. Government counterpart funds will finance the following: (i) taxes on civil work and equipment (in cash); (ii) O&M cost (in cash); and (iii) administrative cost (in-kind). Government counterpart funds will be disbursed following government disbursement regulations and procedures.

### **C. Accounting**

24. The EA and PMU will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following the government's financial regulation on cash-based accounting. The EA will prepare consolidated project financial statements in accordance with the government's accounting framework<sup>13</sup>, which is consistent with international accounting principles and practices.

### **D. Auditing and Public Disclosure**

25. The EA will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year (i.e., 31 December of each year) by the EA.

26. The audit report for the project financial statements<sup>14</sup> will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan and grant were used only for the purpose(s) of the project; and (iii) whether the borrower or EA was in compliance with the financial covenants contained in the legal agreements (where applicable).

<sup>12</sup> The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

<sup>13</sup> International Public Sector Accounting Standards (IPSAS) cash basis.

<sup>14</sup> Project financial statement includes summary of funds received by all sources, statement of cash receipts and payments, statement of budgeted versus actual expenditure, advance account statement, summary statement of expenditures and notes.

27. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

28. The government, EA and IA have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.<sup>15</sup> ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

29. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.<sup>16</sup> After the review, ADB will disclose the documents.

30. The audited project financial statements and the opinion of the auditors on the project financial statements shall be publicly disclosed no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.<sup>17</sup>

## VI. PROCUREMENT AND CONSULTING SERVICES

### A. Advance Contracting

31. All advance contracting will be undertaken in conformity with ADB Procurement Policy: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time), and Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). The issuance of invitations for bid under advance contracting will be subject to ADB's prior approval. The borrower, EA, and IA have been advised that approval of advance contracting does not commit ADB to finance the project.

32. The EA has requested for advance action for the recruitment of the project supervision consulting firm.<sup>18</sup>

<sup>15</sup> ADB's approach and procedures regarding delayed submission of audited project financial statements: (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed; (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months; and (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

<sup>16</sup> Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

<sup>17</sup> This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

<sup>18</sup> The process for recruitment of the PMC will commence in March 2021 with the advertisement of Expressions of Interest.

## **B. Procurement of Goods, Works, and Consulting Services**

33. MPW is experienced in ADB-financed projects but has no experience using the ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The national procurement system does not meet international standards. The pre-mitigation procurement risk is rated **high**. The procurement risk assessment concluded that the PMU would require support to improve its understanding of the procurement framework, including contract management and administration. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers for goods, works, non-consulting and consulting services (2017, as amended from time to time). As GEF will cofinance the project, universal procurement applies.<sup>19</sup>

34. The strategic procurement planning assessed procurement risks and identified optimal procurement packages to provide value for money (VFM) given the capacity constraints within the MPW. The detailed engineering design preparation by a qualified consortium, who will follow up bidding documents preparation, and the single packaging including water supply and sanitation, provide VFM by attracting large qualified international contractors. The appointment of a high-quality project supervision consultant (PSC) will further drive VFM by ensuring quality of works and future O&M requirements is a focus during contract management administration phase. Procurement is streamlined under two main packages—a consulting contract for PSC firm, and a large civil works contract including the upgrading of water supply and sanitation system in three cities (3 lots).

35. The procurement modalities ensure procurement capacity support and development with the hiring of a PSC consultant firm including an international procurement specialist who will provide capacity support. The recruitment of national chief technical advisor, international project accountant specialist, national project accountant specialist and national support staff (administration support) will be also critical for successful monitoring of the project.

36. An 18-month procurement plan indicating review procedures, goods, works, and consulting service contract packages and competitive bidding guidelines is in Appendix B.

37. All consultants will be recruited according to ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers for Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time). PSC firm will supervise the works, prepare, and submit to PMU for approval payment process of civil works contractor. The firm will be engaged using the quality- and cost-based selection (QCBS) method with a quality–cost ratio of 90:10.

## **C. Procurement Plan**

38. Strategic procurement planning was carried out to develop the procurement plan, which supported the project to achieve value for money.<sup>20</sup>

## **D. Consultant's Terms of Reference**

39. The following consultants are planned to be recruited under the project:

<sup>19</sup> ADB. 2015. [Enhancing Operational Efficiency of the Asian Development Bank](#). Manila.

<sup>20</sup> The strategic procurement planning report is included as linked documents to the RRP (refer to Appendix A).

- (i) **Project Supervision Consultant.** The PSC will be an engineering consultancy firm, which is engaged to support the EA and PMU to implement the project. Key scope of works of the PSC will include (i) construction supervision, contract administration, and management; (ii) project management and reporting; and (iii) ensuring compliance with safeguard requirements, including health and safety.
- (ii) **Project accounting.** Individual accounting specialists will be engaged to provide support to the PMU over the project implementation period.
- (iii) **External financial auditor.** A financial auditing firm will be engaged to carry out an audit in accordance with the International Standards of Auditing and to meet ADB financial reporting and auditing requirements.
- (iv) **Chief technical advisor.** The chief technical advisor will assist PMU in coordinating with the PSC and other technical matters related to the project.

40. The summary terms of reference (TOR) for the consulting services are available in Appendices C, D, E, and F.

## VII. SAFEGUARDS

41. **ADB safeguard classifications.** The project has been screened and categorized for environment, involuntary resettlement (IR), and indigenous peoples (IP) impacts in accordance with Safeguard Policy Statement (SPS), 2009. Appropriate safeguard documents for each subproject were prepared and submitted to ADB for review and concurrence prior to implementation. The detailed engineering designs (DED) include ADB safeguard screening and categorization, and preparation of the necessary due diligence (technical, social, economic, and safeguards). The EA, PMU, and PSC have committed to implementing the plans and adhering to ADB and the government's safeguard policies. Any project variations under implementation that would re-classify any of the subprojects to a Category A will not be permitted and are to be excluded from the overall project.

42. **Environmental safeguards.** The safeguard category for environment is **B**. Three initial environmental examination reports (IEEs), and corresponding environmental management plans (EMPs) have been prepared for the project in accordance with ADB SPS and government laws and regulations. The IEEs and corresponding EMPs were developed based on DEDs. Meaningful consultations during the project preparation were conducted and are expected to be continued 4-6 weeks prior to construction and subsequently every three months throughout implementation.

43. If the project undergoes any variations then consultations with all relevant stakeholders will be needed in the context of updating the environmental due diligence, whether it be new rapid environmental assessment checklists (REAs), due diligence reports (DDR), or revisions to the existing IEEs and EMPs. All variations and corresponding required environmental due diligence shall be submitted to ADB for review and clearance. Furthermore, official clearance shall be obtained from the domestic environmental authority (ANLA) to ensure the variations are still covered under the awarded environmental license or if any further conditions and measures need to be included and abided by. To ensure domestic environmental compliance, no new works under any variation are permitted to commence without domestic environmental verification and clearance. All received clearances shall be shared with ADB.

44. The projects are expected to experience short-term localized impacts during construction, which will be site-specific and reversible,<sup>21</sup> and can be mitigated or minimized to an acceptable level with good construction practices and mitigation measures as defined in the EMPs and the corresponding to be prepared site-specific construction EMPs (CEMPs). Bidding documents are required to include the DED stage cleared EMPs, as well as the necessary environmental provisions within the respective bidding documents sections (BOQ, Employers Requirements, Particular Conditions of Contract).

45. No civil works shall commence without domestic national environmental clearance and compliance (license) having been awarded. The results of the domestic environmental license and any requirements and conditions shall be incorporated into the respective IEEs and corresponding EMPs. These updated versions shall be shared with ADB for clearance and disclosure on the ADB website. This is to ensure that the Contractor has one consolidated set of EMP requirements to follow, which meet good international practice standards and national requirements. The CEMPs, including construction risk management and health and safety plan,<sup>22</sup> shall be prepared based on the final cleared EMPs and be approved and cleared by the PMU prior to civil works being permitted to commence / prior to contract award. During implementation, if unanticipated environmental impacts are encountered, PMU will update the respective environmental assessment and EMP or prepare a new environmental assessment and EMP to assess the potential impacts, evaluate the alternatives, and outline mitigation measures and resources to address those impacts.

46. Costs associated with the environmental management, which include staff and consultant time for IEE and EMP preparation, EMP implementation, monitoring, and field investigations are included in the budget for the project. Costs of regular environmental monitoring and reporting are to be covered under the PSC. A simple reporting format has been prepared and is found in Appendix I of this PAM.

47. **Involuntary resettlement safeguards.** The safeguard category for involuntary resettlement is **B**. Three Resettlement and Ethnic Group Development Plans (REGDPs) for each project city have been prepared for the project in accordance with local laws and regulations and ADB SPS (2009) to guide categorization, information disclosure and consultation, assessment, planning, institutional arrangement, and processes to be followed during project implementation. Land acquisition of 3.394 hectares of private land from 22 affected households (AHs) is expected to occur. No economic displacement is anticipated. The project aims to maintain most infrastructure on unencumbered state public land. Pipelaying will occur within state-owned roads with minimal impact corridors. The cost is estimated at \$143,439 for the 3 REGDPs, which includes base costs, allowances, and contingencies.

48. REGDPs have been prepared in consultation with local communities. Project information has been disclosed to the affected persons (APs) through the project preparation during consultations and surveys and a project information booklet has been distributed to all the APs. All land acquisition and resettlement costs will be financed from the counterpart funds.

49. The reports for the project were based on the DEDs. The REGDPs have been prepared and approved by the government and have been cleared and disclosed by ADB before contract

<sup>21</sup> Potential environmental impacts include temporary disruption of roads and access to properties, increase in dust concentration, increase in noise levels, sediment runoff, solid waste generation and disposal, as well as for occupational and community health and safety.

<sup>22</sup> A COVID-19 risk management plan, identifying COVID-19 health and safety related risks, along with a site-specific health and safety plan will be prepared and implemented by the Contractor during the construction period.

award. Full implementation of the REGDPs as evidenced through compensation completion reports will serve a basis for ADB's "no objection" to commencement of the civil works for the project. No civil works will occur until compensation at full replacement cost and other entitlements due to affected persons (APs) are paid to them in accordance with the REGDPs (as required). No voluntary donation of land or assets will be permitted.

**Table 16: Summary of Resettlement Impacts**

Location	Affected Households	Severely Affected	Vulnerable HH	Land Acquisition (Ha)	Trees to be compensated for	Resettlement Costs (\$ estimate)
Same	12	1	3	0.95	406	44,890
Viqueque	8	0	1	2.35	521	95,075
Lospalos	2	0	0	0.09	14	3,474
<b>Total</b>	<b>22</b>	<b>1</b>	<b>4</b>	<b>3.39</b>	<b>941</b>	<b>143,439</b>

50. Effective monitoring and public consultation with all stakeholders and APs at all stages of project implementation will be ensured. In compliance with ADB's information disclosure and consultation requirements, the safeguard documents will be posted on ADB's website. Stakeholder consultations will continue through formal and informal focus group discussions. The REGDPs will be updated and disclosed in English after detailed engineering design and cleared by ADB within one month after detailed engineering design is complete. Key components of the REGDP such as the entitlement matrix and GRM shall be provided in a medium that is understandable and accessible to the key stakeholders.

51. The PMU will be responsible for "on-ground" implementation of compliance with the social safeguard requirements, including any corrective actions required during implementation. The PMU is also responsible to respond to complaints from residents or businesses affected by the project works through the GRM.

52. The project supervision consultants (PSC) will provide technical support to the PMU at the IA level to: (i) ensure that periodic project reviews are carried out; (ii) coordinate the reporting activities of the PMU, (iii) monitor and coordinate project-related procurement to ensure compliance with safeguard requirements; (iv) and support the PMU in implementation of the procedures required for land acquisition, including conducting and documenting consultations and the Grievance Redress Mechanism. The PSC will also ensure that capacity within the PMU is built regarding ADB social safeguards requirements using both workshops and on-the-job training. The IA will oversee the implementation of the different subproject components and enforce the implementation of the social safeguard requirements.

53. Specifically, the social safeguard tasks of the PMU are to ensure that any domestic required approvals are secured and any variations to the previously agreed procedures are approved by ADB. The PMU will manage and supervise the implementation of the project from a social safeguards perspective, such as the detailed measurement survey (DMS), socioeconomic surveys, replacement cost survey, consultation with AHBs, information disclosure, among other, based on the agreed policy and principles. Monitoring the implementation of the social component of the project, ensuring that this is carried out in compliance with the loan agreement. Semi-annual social safeguards monitoring reports for January-June will be submitted to ADB latest 15 July, and for July-December on 15 January of the following year.

54. **Indigenous peoples safeguards.** The safeguard category for indigenous peoples is **B**. The vast majority of the population of Timor-Leste are IPs in that they are the original inhabitants



of the country well before pre-colonial times. IPs are accorded protection by the project based on ADB's Policy on IPs as contained in its Safeguard Policy Statement (2009). The terminology linked to IP is problematic for the Timorese. The label of 'indigenous' was used in colonial times to negatively categorize people and attaining government positions, or an education could therefore mean losing that label. People do not therefore, 'self-identify' as IP and this terminology will not be used in project documents.

55. A review of the criteria requires that people need to be both distinct and vulnerable to trigger application of safeguard policy for the purposes of ADB projects. Despite not being in a minority, the population of Timor-Leste is distinct and is vulnerable due to a lack of recognition of their unique identity, their customary land and legal systems and their significant connection to natural resources. It is for these reasons, in the context of development projects, that risk compounding further the loss of identity and recognition of ownership created by colonization and a turbulent recent history.

56. An REGDP for each city has therefore been prepared which includes: (i) development of an appropriate GRM taking into account local conflict resolution mechanisms; (ii) consultations and stakeholder engagement that are detailed and respect clan and family relationships; (iii) participatory project design to ensure that livelihoods, cultural activities, and O&M plans are culturally appropriate; and (iv) customary land-use to be correctly negotiated in line with community expectations. This will result in a customary water management plan for each city which will be approved by MPW, cleared by ADB, and disclosed.

57. The customary water management plans will include detailed participatory planning to ensure that all cultural and customary traditions have been followed prior to construction starting. This will promote a high level of community ownership of the water supply service and reduce the risks of conflict where the use of water has not been properly agreed in line with customary law. Three plans will be produced by the PCS consultants and will include (i) identification, inventory, and verification of customary claims on land and water sources; (ii) consultations to identify and verify clan and family relationships and their relationship to the land and water resources; (iii) participatory design to identify the required ceremonies and any requirements on future use of water sources and land; and (iv) participatory approach to community maintenance and management of the GRM.

58. **Project Implementation Assistance.** The PSC will include highly qualified and experienced international and national environment and social safeguards specialists to help PMU in implementation of the project in compliance with the project's safeguards requirements outlined in the IEE, REGDPs. PSC specialists (terms of reference provided in Appendix C) will also be guided by the PAM.

59. **Capacity Building.** PMU environment and social safeguards officers will be further trained by PSC's international environment and social safeguards specialists on ADB SPS safeguards requirements based on the issues related to the project impacts, meaningful consultation and documentation and disclosure, monitoring and reporting, the project GRM, etc. The targeted participants of the briefings and awareness sessions would be (but not limited to) PMU staff, project engineers, municipal authorities, contractors etc. Typical modules include: (i) introduction and sensitization to ADB SPS policy principles and requirements on environment, involuntary resettlement, and indigenous peoples; (ii) policies and requirements reflected in the IEE, REGDP; (iii) improved coordination within key departments and stakeholders and developing coordination mechanism for environment, IR, and IP impact assessment, planning and implementation of plans; (iv) monitoring and reporting system; and (v) project GRM and roles at

each level and recording and reporting on complaints. Briefings will be conducted to the contractors upon their mobilization.

60. **Grievance Redress Mechanism.** PMU shall ensure: (i) efficient project-specific GRM are in place and functional to assist the APs resolve queries and complaints, if any, in a timely manner; (ii) all complaints are registered, investigated, and resolved in a manner consistent with the provisions of GRM reflected in the IEEs, RP, and IPP; (iii) the complainants/aggrieved persons are kept informed about status of their grievances and remedies available to them; and (iv) adequate staff and resources are available for supervising, monitoring, and reporting on the status of the grievance redress for the project. This process will be further refined prior to project construction starts to ensure that the GRM is culturally appropriate and reflects customary conflict resolution.

61. **Information Disclosure.** Information sharing and disclosure are tools to engage with local communities and the project affected population during project planning, development and implementation aimed to promote understanding about project activities and discuss way forward for fruitful solutions for various local needs, problems, and prospects for environmental and social safeguards. PMU shall ensure that all safeguards documents including monitoring reports are disclosed by: (i) uploading the draft and final safeguards documents on ADB website (once cleared by ADB); and (ii) Project Information Booklets (PIBs) containing summary of the project impacts as per final EMP, REGDPs, the GRM with procedures and forms, contacts of the grievance redress committee (GRC) members in local language will be distributed amongst the affected communities and persons.

62. **Meaningful consultations.** Due to the COVID-19 pandemic, further consultations and verification of impacts will be required. Meaningful consultations will be carried out in a culturally appropriate way throughout implementation in accordance with the relevant ADB and national safeguard frameworks. For continued information sharing, PMU shall ensure that: (i) additional consultations during updating and implementation of the safeguards documents (including also for any contract variations requiring new due diligence to be prepared), including focus group discussions (FGDs) and individual consultations, are conducted; (ii) the affected communities including subproject APs are informed about: (a) civil works duration and schedule, and any potential environmental related impacts and mitigation measures, (b) resettlement impacts, asset valuation and replacement cost, entitlements, and compensation payment modalities and timelines, (c) rehabilitation and income restoration measures suggested for the project APs (as relevant), and (d) GRM put in place with status of redress of grievances; and (iii) liaison is maintained with APs and community, and consultation meetings are held regularly with surrounding communities and APs, including women and other marginalized groups to share project-related information during project implementation.

63. **Project safeguard documents.** Safeguard documents for the project have been prepared in accordance with ADB's Safeguard Policy. Safeguard documents prepared include: (i) IEEs for Lospalos, Viqueque and Same; (ii) EMPs for Lospalos, Same and Viqueque; (iii) REGDPs for Lospalos, Same and Viqueque; These have been disclosed on the ADB website, and any subsequent updating to any of these respective due diligence documents will also warrant re-disclosure of the new versions on the ADB website.

64. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

## VIII. GENDER AND SOCIAL DIMENSIONS

65. **Poverty and social assessment.** The project is classified as a general intervention. The primary beneficiaries of the project's improved service levels and water quality are women and girls, and poor households. Targeted interventions will include public sanitation facilities in markets and at bus stations and other public spaces, and free water supply connections and subsidized tariffs for female-headed and marginalized households. The project will benefit approximately 15,000 households (92,000 residents) who will gain access to a safe and reliable piped water supply.

66. During project preparation, a poverty and social assessment of the project was conducted to determine the socioeconomic, poverty, social, and gender characteristics of the project communities. An analysis of the different ethnic groups in the project area to determine whether any minority groups were present and whether any self-identified as distinct groups was also carried out. The assessment recorded the priorities of residents in the project cities to help shape the project design.

67. Based on this assessment, a summary poverty reduction and social strategy (SPRSS) has been prepared to present project benefits and mitigation measures, if any, to address social impacts and enhance distribution of project benefits (refer to Appendix A-7).

68. **Gender.** The project is categorized *effective gender mainstreaming*. In Timor-Leste, social and cultural barriers position women as central figures in general household management, including water collection, and exclude them from the workforce and participation in many aspects of civic life. Low levels of education and formal literacy, including financial literacy, and normalization of gender-based violence, are features of women's lives in Timor-Leste. The COVID-19 pandemic has increased women's drudgery and time poverty with additional water collection and water management responsibilities, and care of children during periods of restricted movement.

69. This project will respond through the provision of potable water and sanitation services to beneficiaries, including 31,000 women, in the cities of Lospalos, Same, and Viqueque. Poor households and those with a pour-flush toilet/local water standpipe will benefit from free/subsidized piped water connection to the dwelling and improved public sanitation facilities. Water subsidies and lifeline tariffs will target poor and vulnerable households. Civil works will create some local jobs for women and men during construction and possibly for post construction operation and maintenance. Reliable availability of water will also assist households to manage backyard gardens, both for family sustenance and for sale.

70. Women and children are expected to benefit significantly from the reliable access to potable water supply at the dwelling, as this will reduce drudgery and time taken to collect and manage household water supplies. Further, the investment will decrease the burden of care responsibilities of women and girls by improving overall household health outcomes through a reduction in the incidence of waterborne and water-related illnesses. Institutional gender mainstreaming within the future state-owned water utility will increase sensitivity and responsiveness to water users, and together with community engagement on water use and conservation, contribute to the sustainability of the infrastructure investment.

71. The project's gender analysis confirms that women and girls manage the burden of care for family health and household chores, which rely heavily on reliable access to potable water and sanitation. The project's gender features will include supporting the state-owned water utility to

develop and endorse a gender and socially inclusive institutional development roadmap that will ensure equitable access to, participation in, and benefit from sector planning, service delivery, and financial management for male and female employees and customers. This will involve the development of planning and service guidelines that incorporate gender actions to ensure responsive water supply and sanitation management in each project city.

72. Further, the project will support: (i) equitable access to employment and training in unskilled and professional positions for men and women, acknowledging the limited participation of women in water sector employment at present; (ii) development and monitoring of customer service feedback and complaint mechanism that ensures accessibility and responsiveness to user needs, where at least 75% of female users report satisfaction with complaint handling; and, (iii) strengthened community capacity on water use and conservation including through piloting an income generating community management model for public toilet infrastructure, with at least 50% women playing leadership roles.

**Table 7: Gender Action Plan**

Gender Objectives	Activities/Indicators/Targets	Responsibilities	Timeframe (Y/Q)
<b>Outcome: Inclusive and sustainable access to water supply and sanitation services in project cities achieved</b>			
Women's access to infrastructure and services improved (OP 2.1.4)	a. 62,000 people (31,000 women) services by new water supply and sanitation facilities (2020 baseline: 0 people, of which 0 women) (OP 2.1; 2.1.4) DMF a.	PSC	Project close 2029
<b>Output 1: Regulatory Environment Improved</b>			
1.1 Regulatory environment for gender equality improved (OP 2.3.2)	1.1.1 Gender and socially inclusive institutional development roadmap on planning, service delivery, and financial management developed and endorsed by MPW (2020 baseline: none) (OP 2.3.2; 4.2.1) DMF 1a. <sup>23</sup>	PSC	2025/Q3
	1.1.2 Planning and service delivery guidelines that integrate gender actions <sup>24</sup> for management of water supply and sanitation established for each project city (2020 baseline: none) (OP 2.3.2; 4.2.1) DMF 1b.	PSC	2024/Q4
	1.1.3 Information, education and communication (IEC) campaign is developed and delivered in each city to raise awareness on GBV-SEAH/HIV and AIDS, and trafficking of persons, with all MPW/SMASA staff and contractors.	PSC	Annually from 2022/Q1
<b>Output 2: Water Supply and Sanitation Infrastructure Improved</b>			
2.1 Women's economic empowerment	2.1.1 Works contracts in each city include a minimum 50% of unskilled and 30% skilled work jobs for local men and women (with at least 10% women).	PSC	2022/Q4 to 2026/Q4

<sup>23</sup> The project will support the new water supply and sanitation institution to establish a gender and socially inclusive roadmap to ensure, among other things: (i) equitable access to employment opportunities (including non-discrimination in recruitment and hiring practices); (ii) fair and equitable treatment of employees (including equal pay for work of equal value); (iii) responsive health and safety measure (including training and awareness raising on gender-based violence, sexual exploitation, abuse and harassment); (iv) accessible service delivery mechanisms and customer service modalities; and, (v) a client outreach mechanism to ensure accountability and effective service delivery; that reflect the needs and experiences of male and female water employees and customers.

<sup>24</sup> Gender and socially inclusive planning and service delivery guidelines for water supply and sanitation management, would include, among other things, routine gender and social analysis to establish tariff setting and revenue collection for each municipality based on the socio-economic composition of households.

Gender Objectives	Activities/Indicators/Targets	Responsibilities	Timeframe (Y/Q)
increased (OP 2.1)	2.1.2 Works contracts include flexible working hours for a minimum 20% of workforce. (Baseline:0)	PSC	2023/Q4
	2.1.3 All works contract documents will include equal pay for work of equal value for men and women employees, and provision of personal protective equipment appropriately sized for women, and for men.	PSC	2021/Q4
2.2 Provision of time-saving or gender responsive infrastructure improved <sup>25</sup> (OP 2.4.1)	2.2.1 Community surveys undertaken in each municipality to track user satisfaction with public toilet infrastructure and time-use of public infrastructure, with minimum 40% female participants.	PSC	Annually from 2024
	2.2.2 Project beneficiaries report satisfaction with the project's responsiveness through active consultation on their water supply and sanitation needs, including cultural obligations and time-use patterns, with feedback from at least 40% of women in each municipality.	PSC, Contractor	Annually from 2024
	2.2.3 A community-based, gender responsive IEC campaign developed (poster-illustrative), <sup>26</sup> on water conservation, time-use and burden of care, use of water and sanitation facilities for improving health and hygiene practices and hand washing. <sup>27</sup>	PSC	Annually from 2024
	2.2.4 A knowledge attitude and practices (KAP) survey is undertaken in project communities at the start and close of project activities to track improved knowledge and understanding of water conservation, use of water and sanitation facilities. Target: minimum 50% participation of women.	PSC	Start & close of project
<b>Output 3: Institutional Effectiveness Improved</b>			
3.1 Gender equality in decision-making and leadership enhanced (OP 2.3)	3.1.1 50 staff (at least 8% women) from SMASAs trained in planning, project management, asset management, O&M, financial management, and tariff collection (2020 baseline: 0) (OP 6.2.1 & OP 2.1.1) DMF 3b.		
	3.1.2 Customers confirm that new customer service feedback and complaint procedures are accessible and responsive to their needs, where at least 75% of female users report satisfaction with complaint handling (2020 baseline: 0) (OP 2.4.1 & OP 6.2.1) DMF 3c.	PSC, MPW, SMASA	From 2026/Q4 reported annually
	3.1.3 Two paid internships in professional roles available annually in each project location with 50% female participation with subsequent recruitment to permanent employment if performance is satisfactory. <sup>28</sup>	MPW, SMASA	Project start – reported annually
	3.1.4 Quarterly project training opportunities provided where at least 30% participants are women. <sup>29</sup> (Baseline 2020: 0 %).	PSC	Quarterly
	3.1.5 Community-based and gender sensitive IEC disseminate information, particularly to women as household managers of water resources, on how to access and submit feedback or complaints on service delivery or other issues related to water utilities.	SMASA	From 2025/Q4
	3.2.1 Pilot income generating community management of public toilet infrastructure implemented in each community with at least 50% female in leadership roles.	SMASA	From 2026/Q1
<b>Project Management and Gender-Specific Activities:</b>			

<sup>25</sup> OP2.4 Women's time poverty and drudgery reduced.

<sup>26</sup> Informed by the initial KAP survey proposed under 2.2.4.

<sup>27</sup> In addition to the stated areas, the IEC campaign will also deliver messaging on hygiene for good sexual and reproductive health, and IEC materials will be located in high traffic areas for maximum outreach and dissemination.

<sup>28</sup> Dedicated internship funding with ongoing employment included in overall departmental budget for recruitment.

<sup>29</sup> Beneficiaries are staff in MPW/SMASA. Training (informed by a training needs analysis under the TA for institutional effectiveness/roadmap development) could include financial management, digital literacy, performance management, managing for results, leadership, effective meetings, customer service, gender & inclusion etc.

Gender Objectives	Activities/Indicators/Targets	Responsibilities	Timeframe (Y/Q)
4.1	Recruitment of a gender equality and social inclusion expert(s) by Q3/2021.		
4.2	Training on GAP implementation and monitoring will be delivered to PMU, PSC, MPW and SMASA staff and other key implementing partners by 2022/Q2.		
4.3	Sex-disaggregated data will be collected by the contractor in fulfillment of DMF and GAP reporting requirements.		
4.4	Gender focal point appointed in MPW and SMASA by 2021/Q4.		

DMF = design monitoring framework, GAP = gender action plan, GBV-SEAH = gender-based violence, sexual exploitation, abuse, and harassment, MPW = Ministry of Public Works (Implementing Agency), PSC = project supervision consultants, SMASA = Municipal Water, Sanitation and Environment Services, Q = quarter, Y = year.

Source: Asian Development Bank.

73. The project will be supported by a gender action plan (GAP) that describes how gender activities will be implemented and monitored (refer to Appendix A-11). The PMU will be responsible for GAP implementation, resourcing, monitoring and preparation of regular quarterly GAP implementation monitoring reports. The PMU will be supported by the PSC, which will include two qualified social development and gender specialists (one international and one national). In addition, MPW will appoint a gender focal point for implementation and oversight support.

74. **Consultation and participation plan.** The project design was informed by consultations carried out with relevant stakeholders, including women. Consultations will be ongoing during implementation, and a stakeholder and communication strategy has been prepared to describe how various stakeholders will be engaged throughout the project and to develop community capacity to manage water use and assets. During implementation, community engagement activities will be undertaken with communities in the project areas of influence, including specifically with women and vulnerable groups. This will ensure project-related information is regularly shared and community support for sustainability of the infrastructure is encouraged. See Section IX. E of this PAM for the consultation and participation plan.

## IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

### A. Project Design and Monitoring Framework

75. The design and monitoring framework (DMF) is available in the report and recommendation of the President (RRP) and Appendix K of this PAM.

### B. Monitoring

76. **Project performance monitoring.** The EA will establish a project performance management system (PPMS) within 12 months of the date of effectiveness, to monitor and evaluate the project during implementation against the DMF. The DMF includes indicators and targets and assumes that safeguard documents will be approved and implemented, and project monitoring reports will be prepared.

77. At the commencement of the project, the PMU, with assistance from the PSC, will develop the PPMS procedures to generate data systematically on the inputs and outputs of the project, as well as the agreed indicators used to measure the project impacts.<sup>30</sup> The PMU will: (i) refine

<sup>30</sup> ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>.

the PPMS, as required; (ii) confirm the baseline figures and targets through consultation with beneficiaries; (iii) determine appropriate monitoring and recording arrangements; (iv) confirm data sources; (v) check assumptions and risks; and (vi) establish systems and procedures. The PMU will submit the final PPMS, with revisions and recommendations for improvement (if any) to ADB for approval, within 12 months of effectiveness. Any changes will be uploaded by ADB into the e-Operations system. An annual project performance monitoring and evaluation (PPME) report will be prepared and submitted to ADB by 31 January of the following year.

78. The PMU will be responsible for managing the PPMS, including establishing benchmarks, collection of baseline and progress data, monitoring of benefits, and evaluation of social impact. Data will be presented in simple formats for analyzing and consolidating the resulting data through its management information system. The PPMS will be designed to permit adequate flexibility to adopt remedial action regarding project design, schedules, and activities. The PMU will prepare and submit to ADB quarterly progress reports on both physical implementation and financial aspects of the project, to ensure that impacts are monitored and implemented in line with ADB requirements. These quarterly reports will provide information necessary to update ADB's project performance reporting system.

79. A midterm survey will be carried out at project midterm to determine progress, and a survey at project completion will be conducted to evaluate progress against project outcome and achievement towards project impact. This will include a summary of gender results from the project, based on the implementation of the GAP.

80. **Compliance monitoring.** The Government have agreed with ADB on standard covenants for the proposed project, which are set forth in the loan and grant agreements (refer to project linked documents in Appendix A). The status of compliance with covenants – policy, legal, financial, economic, environmental and social safeguards, and others, will be reviewed at each ADB review mission – to be conducted at about 6-month intervals. The PMU will monitor compliance against the covenants and report updates in quarterly progress reports and propose any remedial actions for consideration at ADB review missions. ADB will update the e-Operations system following each review mission.

81. **Environmental safeguards monitoring.** The PMU will oversee the monitoring and implementation of EMPs for the subprojects. The PSC environmental specialists will provide technical advice, guidance, and support to the PMU in overseeing EMP implementation and to the PMU for monitoring compliance with the EMPs (and corresponding CEMPs) during construction. The semi-annual environmental monitoring report will be prepared by the PMU. The reports will table all indicators measured with the monitoring plan of the EMPs and will include relevant national environmental quality standards. The PPSC, in consultation with the PSCU, will be responsible for providing project coordination and providing policy guidance. It will also be responsible for deciding on environmental management matters that will require provincial action.

82. The PSC will assist the PMU to update the three IEEs and corresponding EMPs, following any further changes to the final detailed design and once the three domestic environmental compliance licenses are awarded (up taking any further conditions, requirements, and measures), as well as to carry out monitoring during the construction phase. The PMU will be responsible for monitoring the respective EMPs and corresponding CEMPs during construction. The PSC will be responsible for monitoring during O&M, including reporting on community feedback.

83. Before construction, the PSC will monitor the project's readiness on environmental management based on a set of indicators and report it to ADB and PMU. This assessment will

formally demonstrate that environmental commitments are being carried out and environmental management systems are in place before construction starts or suggest corrective actions to ensure that all requirements are met.

84. The PMU will assess: (i) compliance with the project's IEEs and EMPs; (ii) the availability of personnel, material, and financial resources; and (iii) identification of any problems and the need for remedial actions to correct any problems that arise. The PMU will provide an update on environmental safeguards in the quarterly progress reports. The PMU will submit the semi-annual environmental safeguards monitoring report every 6 months. The reports for January-June will be submitted to ADB latest 15 July, and for July-December on 15 January of the following year. The indicative template of the environmental safeguards monitoring report is included in Appendix I.

85. Based on environmental monitoring and reporting systems in place, the PMU shall assess whether further mitigation measures are required as corrective action, or improvement in environmental management practices are required. The effectiveness of mitigation measures and monitoring plans will be evaluated by a feedback reporting system. The PMU will play a critical role in the feedback and adjustment mechanism. If the PMU identifies a substantial deviation from the EMPs, or if any changes are made to the project scope that may cause significant adverse environmental impacts or increase the number of APs, then the PMU shall immediately consult MPW, CAFI, and ADB to get approval and identify EMP adjustment requirements or update the corresponding IEEs.

86. **Social safeguards monitoring.** The PMU will provide an update on social safeguards compliance in the quarterly progress reports. PMU will prepare semi-annual social safeguards monitoring reports for January-June to be submitted to ADB latest 15 July, and for July-December on 15 January of the following year. The indicative template of the social monitoring report is included in the Appendix J. The report will include information on key monitoring indicators and include an assessment against (i) compliance with the project REGDPs; (ii) the availability of personnel, material, and financial resources; and (iii) identification of any problem and the need for remedial actions to correct any problems that arise. Internal monitoring indicators will be included to ensure public information, public consultation, and grievance redress procedures are followed.

87. All consultation minutes, relevant documentation, signed compensation forms, socioeconomic survey forms, etc. will be included in the records/documentation to be maintained by the PMU on behalf of the EA and shall be made available to ADB during missions and/or for due diligence and during spot checks.

88. **Gender and social dimensions monitoring.** Gender and social dimensions, as outlined in the GAP, and those not covered by social and safeguard documents will be monitored internally through the PPMS and the gender monitoring table in Appendix J. The DMF contains specific indicators and targets from the GAP. At the beginning of the project, both an international and national social and gender specialist will be recruited by the PSC, to support the PMU to develop the PMS and associated forms that generate data systematically for each output. The PMU will consolidate the data and include the status of gender and social dimensions and progress against GAP activities in the quarterly progress reports submitted to ADB. Safeguard monitoring against the IPP elements integrated in the GAP and DMF will also be included in the quarterly progress reports and more in-depth monitoring will be included in the social safeguard monitoring reports.



## **C. Evaluation**

89. ADB and the government will jointly review the project at least twice a year (at 6-month intervals). This will include: (i) achievement of contract awards and disbursements; (ii) physical progress of each project output; (iii) effectiveness of capacity development programs; (iv) compliance with social and environmental safeguards; (v) progress of gender and social dimensions; (vi) compliance of project covenants; and (vii) performance of government agencies, implementation units and consultant and contractor performance. In addition to the regular reviews, ADB and the Government may conduct special project administration reviews to address and resolve specific administration problems.

90. In addition to the regular review missions, the government and ADB will undertake a comprehensive midterm review in the third year of project implementation or after all contracts have been awarded, whichever is the latest, to identify problems and constraints encountered and suggest measures to address them. Specific items to be reviewed will include: (i) appropriateness of scope, design, contract packaging, implementation arrangements, and schedule of activities; (ii) review of institutional, administrative, organization, technical, and financial aspects of the project, based on the assumptions and risks included in the DMF; (iii) assessment of implementation progress against project indicators; (iv) governance improvement and capacity development; (v) compliance with safeguard measures; (vi) implementation of the GAP; (vii) lessons learned, good practices, and corrective actions; and (viii) changes recommended.

91. Within 6 months of physical completion of the project, the EA will submit a project completion report to ADB.<sup>31</sup>

## **D. Reporting**

92. The IA will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) separate semi-annual environment and social safeguards monitoring reports; (iii) quarterly progress reports on GAP implementation; (iv) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, including GAP performance indicators, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (v) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the IA's audited financial statement together with the associated auditor's report, should be adequately reviewed.

## **E. Stakeholder Communication Strategy**

93. A stakeholder communication strategy (SCS) has been prepared to ensure inclusiveness, transparency, timeliness, and the meaningful participation of stakeholders in the project. The SCS promotes select messages targeted at key stakeholders consistent with established communication objectives as to what perspectives, actions and changes should be promoted to ensure the project's success. The SCS ensures that vulnerable groups, such as the poor, elderly, indigenous and ethnic groups, and women, who risk being marginalized, are provided with opportunities. Implementation of the SCS will be supported by the PSC and activities are included

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<sup>31</sup> Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>.

in the project budget. SCS activities will be organized from the outset of the project and will continue throughout implementation. The SCS is included as part of the consultation and participation plan, which is available as a linked document in the RRP.

## **X. ANTICORRUPTION POLICY**

94. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.<sup>32</sup> All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the EA and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.<sup>33</sup>

95. To support these efforts, relevant provisions are included in the loan and grant agreements and the bidding documents for the project.

## **XI. ACCOUNTABILITY MECHANISM**

96. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, efforts should be made in good faith to solve the problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.<sup>34</sup>

## **XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL**

97. The PAM is a living document and is subject to change after ADB Board approval of the project. All revisions and/or updates during implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

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<sup>32</sup> Anticorruption Policy: <https://www.adb.org/documents/anticorruption-policy>.

<sup>33</sup> ADB's Office of Anticorruption and Integrity website: <https://www.adb.org/site/integrity/main>.

<sup>34</sup> Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

## **List of Linked and Supplementary Documents of the RRP**

### **A. Linked Documents**

1. Loan Agreement
2. Grant Agreement
3. Sector Assessment (Summary): Water and Other Infrastructure Services
4. Project Administration Manual
5. Financial Analysis
6. Economic Analysis
7. Summary Poverty Reduction and Social Strategy
8. Risk Assessment and Risk Management Plan
9. Contribution to Strategy 2030 Operational Priorities
10. Climate Change Assessment
11. Gender Action Plan
12. Initial Environmental Examination: Lospalos City
13. Initial Environmental Examination: Same City
14. Initial Environmental Examination: Viqueque City
15. Resettlement and Ethnic Group Development Plan: Lospalos City
16. Resettlement and Ethnic Group Development Plan: Same City
17. Resettlement and Ethnic Group Development Plan: Viqueque City

### **B. Supplementary Documents**

18. Environmental Management Plan: Lospalos City
19. Environmental Management Plan: Same City
20. Environmental Management Plan: Viqueque City
21. Consultation and Participation Plan
22. Climate Change and Vulnerability Assessment
23. Strategic Procurement Plan
24. Financial Management Assessment

**PROCUREMENT PLAN**

<b>Basic Data</b>		
Project Name: Water Supply and Sanitation Investment Project		
Project Number:	Approval Number:	
Country: Democratic Republic of Timor-Leste	Executing Agency: Council of Administration of Infrastructure Fund (CAFI)	
Project Procurement Classification: Category B	Implementing Agency: Ministry of Public Works (MPW)	
Procurement Risk: Medium		
Project Financing Amount: \$62.5 million ADB Ordinary capital resources (concessional loan): \$47.0 million Global Environment Facility (GEF): \$3.0 million Government: \$12.5 million	Project Closing Date: 31 March 2029	
Date of First Procurement Plan:	Date of this Procurement Plan:	
Procurement Plan Duration: 18 months	Advance contracting: Yes	eGP: No

**A. Methods, Review and Procurement Plan**

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works, nonconsulting services, and consulting services.

<b>Procurement of Goods, Works and Nonconsulting Services</b>	
<b>Method</b>	<b>Comments</b>
Open competitive bidding with international advertising for works	This method will be used for the three lots (one lot for each city)
Request for Quotations (goods)	This method will be used for: (i) Vehicles for the Project Management Unit (PMU); (ii) IT equipment and software for PMU; and (iii) Furniture for PMU.
Request for Quotations (goods) with suitable modification	This method will be used for IT support for project.

<b>Consulting Services</b>	
<b>Method</b>	<b>Comments</b>
Open competitive bidding with international advertising, using quality- and cost-based selection (QCBS)	This method will be used for: Project supervision consultant.
Open competitive bidding with international advertising, using least cost selection (LCS)	This method will be used for: External financial auditor.
Open competitive bidding with international advertising, using individual consultant selection (ICS)	This method will be used for: International project accountant specialist.
Open competitive bidding with national advertising,	This method will be used for: (i) Chief technical

using individual consultant selection (ICS)	advisor, (ii) National project accountant specialist and (iii) support staff (administration support).
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## B. List of Active Procurement Packages (Contracts)

The following table lists goods, works, nonconsulting services, and consulting services contracts for which the procurement activity is either on going or expected to commence within the procurement plan duration.

Goods, Works, and Nonconsulting services							
Package Number <sup>1</sup>	General Description	Estimated Value (\$ equivalent)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments I/A
WSSIP-W01	<p>Upgrading of water supply and sanitation system in three cities:</p> <p>Lot 1 - Lospalos</p> <p>Lot 2 - Viqueque</p> <p>Lot 3 - Same</p> <p>Construction of new water supply storage and treatment facilities, rehabilitation and expansion of the water distribution networking forming district metered areas (DMAs), installation of meters for household connections and construction of public toilets facilities and</p>	<p>40.52 million</p> <p>(Lot 1: 14.51 million</p> <p>Lot 2: 11.88 million</p> <p>Lot 3: 14.13 million)</p>	OCB	Prior	1S2E	Q4/2021	<p>Advertising: International</p> <p>Number of contracts: 3</p> <p>Prequalification of bidders: No</p> <p>Domestic preference applicable: No</p> <p>Advance contracting: No</p> <p>Bidding document: Works</p> <p>E-procurement: No</p>

	septage treatment facilities.						
WSSIP-G02	Vehicles for PMU	80,000	RFQ	Post (Sampling)	1S1E	Q4/2021 (No advertisement)	Advertising: RFQ Number of contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding document: RFQ Quotations (Goods) issued by ADB E-procurement: No
WSSIP-G03	IT Equipment and Software for PMU	60,000	RFQ	Post (Sampling)	1S1E	Q4/2021 (No advertisement)	Advertising: RFQ Number of contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding document: RFQ E-procurement: No
WSSIP-G04	Furniture for PMU	20,000	RFQ	Post (Sampling)	1S1E	Q4/2021 (No advertisement)	Advertising: RFQ Number of contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding document: RFQ Quotations (Goods) issued by ADB E-procurement: No
WSSIP-NC01	IT Support for Project	70,000	RFQ	Post (Sampling)	1S1E	Q4/2021 (No advertisement)	Advertising: National Number of contracts: 1 Prequalification of bidders: No Domestic preference applicable: No Advance contracting: No Bidding document: RFQ with suitable modification E-procurement: No

1S2E = Single-Stage-Two-Envelope, 1S1E = Single-Stage-One-Envelope, OCB = Open Competitive Bidding, Q = Quarter, RFQ = Request for Quotation

Consulting Services							
Package Number	General Description	Estimated Value	Selection Method	Review <sup>6</sup>	Type of Proposal <sup>7</sup>	Advertisement Date	Comments <sup>8</sup>
WSSIP-CS01	Project Supervision	6.24 million	QCBS (eligible)	Prior	FTP	Q2/2021	Type: Firm Assignment: International Quality-Cost Ratio: 90:10

	Consultant (PSC)		countries will include the ADB eligible countries)				Prequalification of consultants:  Yes (Shortlisting) Advance contracting: Yes E-procurement: Partial (Only EOI submission on cms.adb.org)
WSSIP- CS02	External Financial Auditor	350,000	LCS  (eligible countries will include the ADB eligible countries)	Prior	STP	Q4/2021	Type: Firm Assignment: International Prequalification of consultants:  Yes (Shortlisting) Advance contracting: No E-procurement: Yes (cms.adb.org)
WSSIP- CS03	Project Accountant Specialist for PMU	350,000	ICS	Prior	CV	Q3/2021	Type: Individual Assignment: International Prequalification of consultants:  Yes (Shortlisting) Advance contracting: No E-procurement: Yes (cms.adb.org)
WSSIP- CS04	Project Accountant Specialist for PMU	150,000	ICS	Prior	CV	Q3/2021	Type: Individual Assignment: National Prequalification of consultants:  Yes (Shortlisting) Advance contracting: No E-procurement: Yes (cms.adb.org)
WSSIP- S05	PMU Support Staff (Administratio n Support)	100,000	ICS	Prior	CV	Q3/2021	Type: Individual Assignment: National Prequalification of consultants:  Yes (Shortlisting) Advance contracting: No E-procurement: Yes (cms.adb.org)
WSSIP- CS06	Chief Technical Advisor for PMU	500,000	ICS	Prior	CV	Q3/2021	Type: Individual Assignment: National Prequalification of consultants:  Yes (Shortlisting) Advance contracting: No E-procurement: Yes (cms.adb.org)

CV = Curriculum Vitae, FTP = Full Technical Proposal, ICS = Individual Consultant Selection, LCS = Least Cost Selection, Q = Quarter, QCBS = Quality- and Cost-Based Selection, STP = Simplified Technical Proposal.

**C. List of Indicative Packages (Contracts) Required under the Project**

The following table lists goods, works, nonconsulting services, and consulting services contracts for which the procurement activity is expected to commence beyond the procurement plan duration and over the life of the project.

Goods, Works, and Nonconsulting services						
Package Number <sup>1</sup>	General Description	Estimated Value	Procurement Method	Review	Bidding Procedure	Comments

Consulting Services						
Package Number	General Description	Estimated Value	Selection Method	Review	Type of Proposal	Comments
None						

**D. List of Awarded and Completed Contracts**

The following table lists the awarded contracts and completed contracts for goods, works, nonconsulting services, and consulting services.

Goods, Works, and Nonconsulting services					
Package Number	General Description	Contract Value	Date of ADB Approval of Contract Award	Date of Completion	Comments
None					

Consulting Services					
Package Number	General Description	Contract Value <sup>9</sup>	Date of ADB Approval of Contract Award <sup>10</sup>	Date of Completion <sup>11</sup>	Comments <sup>12</sup>
None					

**E. Non-ADB Financing**

The following table lists goods, works, and consulting services contracts over the life of the project, financed by Non-ADB sources.

Goods, Works, and Nonconsulting services				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Comments
None				



<b>Consulting Services</b>				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Selection Method	Comments
Detailed engineering design package (DED) – consortium Águas de Portugal Timor-Leste / Engidro	2.90 million	1	IB	Financed by government

## TERMS OF REFERENCE FOR PROJECT SUPERVISION CONSULTANT

### I. INTRODUCTION

1. A consulting firm will be recruited to act as the Project Supervision Consultants (PSC) for a proposed Water Supply and Sanitation Investment Project (the Project) in the Democratic Republic of Timor-Leste, to be financed by the Asian Development Bank. The Project will be managed by the Project Management Unit (PMU) under the Ministry of Public Works (MPW).

2. The Project will focus on increasing access to safe water supply and sanitation to facilitate long-term sustainable and economic growth and is aligned with the following impact: 100% service coverage for both water supply and sanitation by 2030. The Project will have the following three outputs as listed below:

- (i) **Output 1: Regulatory environment improved.** The Project will finance the establishment of a gender and socially inclusive institutional development roadmap to monitor and improve operations and services.
- (ii) **Output 2: Water supply and sanitation infrastructure improved.** The project will improve access to inclusive water supply and sanitation in the three project cities through (i) construction of 14 water supply storage and 7 treatment facilities; (ii) rehabilitation and expansion of 130 km of water supply distribution network and formation of district metered areas; (iii) installation of meters for 10,000 household connections; and (iv) construction of 12 public toilets and 3 septage treatment facilities with a total capacity of 8.7 m<sup>3</sup>/d, including septage collection and transport.
- (iii) **Output 3: Institutional effectiveness improved.** The project will strengthen the capacity of MPW and the project cities in the areas of operations and maintenance (O&M), and service delivery, and will include the development of a comprehensive training program. The effectiveness of service delivery will be validated via customer service feedback and complaints procedures.

### II. SCOPE OF CONSULTING SERVICE

3. The PSC will assist the PMU throughout project implementation by ensuring the effective implementation and timely completion of the Project. The PSC will support the delivery of the three key project outputs, and provide project management related services, which includes, as a minimum: (i) technical support; (ii) construction supervision and contract administration; (iii) compliance with government and national policies and regulations, ADB's procurement policies and guidelines, Safeguards Policy Statement, Gender and Development Policy, and Guidelines for Gender Mainstreaming Categories of ADB projects; (iv) institutional capacity development; and (v) stakeholder engagement, awareness and communication activities.

4. **Output 1: Regulatory environment improved.** The PSC will provide support to improve the sector regulatory environment and further develop and consolidate sector initiatives introduced by earlier ADB-funded projects and technical assistance. This will include provision of the following services:

- (i) Conducting an assessment of the sector regulatory environment and establishing a gender and socially inclusive sector institutional development

- roadmap that will guide the transition of service providers to one autonomous institution;
- (ii) Developing and assisting in the implementation of planning and service delivery guidelines to facilitate MPW and the project cities in understanding roles and responsibilities, and also to standardize asset management, demand management, operations and maintenance (O&M), and financial management approaches; and
- (iii) Promoting women's participation in the sector, facilitating gender mainstreaming workshops for project cities and MPW.

5. **Output 2: Water supply and sanitation infrastructure improvements.** Consulting services, including, contract management and construction supervision, will be provided to improve access to inclusive water supply and sanitation infrastructures in the three project cities through (i) construction of 14 water supply storage and 7 treatment facilities with a total capacity of 24,200 m<sup>3</sup>/d; (ii) rehabilitation and expansion of 130 km of water supply distribution network and formation of district metered areas; (iii) installation of meters for 10,000 household connections; (iv) construction of 12 public toilets and 3 septage treatment facilities with a total capacity of 8.7 m<sup>3</sup>/d, including septage collection and transport.

6. **Output 3: Institutional effectiveness improved.** Consulting services will provide support to strengthen the capacity of MPW and project cities in O&M, and service delivery, building on the lessons learned from the earlier ADB-funded projects. The PSC will assist MPW to monitor ongoing developments in the water sector, including legal, regulatory, and institutional issues throughout the implementation of the Project. The PSC will:

- (i) Develop and assist in the implementation of the institutional development roadmap to support the project cities, to become financially sustainable;
- (ii) Carry out assessments on the capacity development needs to project cities and MPW, and prepare a comprehensive training program to include specific modules relating to: (i) financial management; (ii) tariff reviews and adjustments; (iii) billings and tariff collections; (iv) asset management; (v) project planning and service delivery; and (vi) disaster risk management and contingency planning;
- (iii) Facilitate the roll out of the training program to project cities and MPW;
- (iv) Prepare an awareness program focusing on key sustainability themes, including water usage and conservation, sanitation and hygiene, climate change resilience and gender mainstreaming activities to be used during public consultation meetings and dissemination. The awareness program should ensure project cities acquire full benefits of provision of potable water and sanitation services and encourage and increase women's participation in the sector;
- (v) Carry out water resources availability assessments and support project cities and MPW in developing and implementing a ground and surface water monitor programs to ensure the sustainability of the water resources;
- (vi) Carry out Nonrevenue Water (NRW) assessments and support SMASA in developing and implementing NRW reduction programs;
- (vii) Provide training on Project's safeguards policies and gender mainstreaming to PMU, project cities and MPW staff; and
- (viii) Support the PMU with the contract management and supervising of the O&M services and training program component of the civil works contract. The civil

works contract includes implementation of all construction works and a two-year O&M services and training program.

- (ix) Support the development of customer service feedback and complaint procedures including measuring customer satisfaction with service delivery.

7. **Project management.** The PSC will assist the PMU in implementing the project in accordance with the provision of the Project Administration Manual and financing arrangements, and with ADB's procedures and policy requirements. In addition to the scope described above, as a minimum, the PSC will be required to:

- (i) Assist the PMU in coordinating all project activities by taking an advisory role and direct action/intervention as needed;
- (ii) Assist the PMU to liaise with the ADB and prepare project-related information material from time to time, as requested;
- (iii) Coordinate and participate in the preparation of all project progress reports reporting on all status of the project (procurement and construction activities) including brief monthly management reports to the PMU, quarterly progress reports, semi-annual safeguards monitoring reports and gender action plan (GAP) implementation monitoring reports to the ADB and government;
- (iv) Support PMU in liaising with all relevant line ministries, Municipal services, government agencies (such as the National Development Agency, National Procurement Commission, etc) and sector stakeholders;
- (v) Set up the project performance management system (PPMS) based on the design monitoring framework (DMF), GAP and other relevant loan documents in accordance with ADB's policy requirements, including establishing baseline and operation mechanism for data collection (sex-disaggregated), analysis and reporting;
- (vi) Set up the project management information system (MIS) to: (a) ensure efficient and effective information sharing and coordination on project management (e.g., procurement, disbursement, construction, safeguard compliance, GAP compliance); and (b) monitor the project's design and monitoring framework through the use of the PPMS;
- (vii) Carry out consultations and surveys relating to take-up of connections, consumer satisfaction, effect on household gender relations, and report on status of project implementation;
- (viii) Collect and compile all necessary information and prepare all necessary documents for ADB's loan administration missions;
- (ix) Conduct design, technical, environmental and social review and audit, and provide comments on the engineering detailed design in accordance with required design codes and standards;
- (x) Provide expert inputs, review and provide justifications for contract variations and prepare necessary documents (e.g. due diligence report) in accordance with government and ADB requirements;
- (xi) Assist PMU and bid evaluation committee through the procurement process, reviewing procurement documents (e.g. technical specifications, bill of quantities, evaluation criteria), technical reviews, evaluation and documentation and contract negotiations;
- (xii) As part of the bid preparation, prepare the contract management plan (CMP) template and submit to ADB for review, with the CMP to be included as part of the bid documents;

- (xiii) On contract award, complete the CMP in consultation with the PMU, with the relevant project data to enable monitoring of the works or service;
- (xiv) Facilitate the development of a comprehensive site-specific health and safety management plan (SSHSM) with the contractor, for approval by the employer. Monitor the implementation of the SSHSM including providing progress updates in the respective safeguards monitoring reports and carry out safety audits on site;
- (xv) Assist PMU in revising and updating safeguards planning documents for the Project, including land acquisition and compensation plans (LACP), land acquisition and compensation due diligence reports (LACDDR), Indigenous Peoples Plans (IPP), Indigenous Peoples Plans Due Diligence Reports (IPP DDR), Initial Environmental Examination (IEE) and Environmental Management Plans (EMPs), in implementing, monitoring and reporting progress of implementation on a semi-annual basis;
- (xvi) Conduct contract management as the Engineer or Engineers Representative during project implementation (construction and O&M services and training program), to include monitoring of construction progress, compliance with safeguards, preparing progress reports and CMP updates, reviewing and certifying contractor's claims for payments, coordinating project implementation among contractors and various stakeholders, and coordinating daily operational tasks;
- (xvii) Support the PMU with site supervision of all construction works including mechanical/electrical, instrumentation and control works;
- (xviii) Assist PMU in preparing financial statements and reporting in accordance with relevant project financial covenants and make necessary arrangements with auditing units to supervise the financial management of PMU; and
- (xix) Prepare the project completion Report (PCR).

### **III. IMPLEMENTATION ARRANGEMENTS**

8. Consulting services for the Project will be provided over a period of seven (7) years, from Q1 2022 to Q4 2028. The PSC will be based in the PMU's office in Dili and will mobilize construction supervisors for each city during the construction stage, as required. Field works will be carried out by the PSC as necessary during the implementation of the Project.

9. Project cities will provide suitable office accommodation for the PSC as and when required. PMU will make available to the PSC all relevant data, maps, and reports, and ensure access to all equipment purchased under the Project at no cost to PSC, including vehicles, computing, and communication equipment.

10. PMU and municipal authorities in project cities will provide counterpart and support staff to work with PSC and will arrange necessary introductions to concerned government organizations, ministries, and services.

11. To ensure that all project outputs are properly integrated and coordinated, the PSC is to be led by a single Team Leader reporting to the PMU. This arrangement is necessary to ensure that the consulting services are efficient, effective and properly coordinated especially since several activities will run concurrently in the same project provinces throughout the project period. The Team Leader will also assist to coordinate between the components of the Project and between the various levels of Government administration at national, city and village levels.

12. The Team Leader will manage all activities and all inputs of team members to ensure the PSC fully meets its terms of reference. During the Team Leader's absence from the Project, the Senior Construction Supervision Manager will assume the role of Team Leader (designate).

## VII. EXPERTISE REQUIRED

13. The consulting services will be provided by an international consulting firm who will be engaged in accordance with ADB's Procurement Regulations for ADB's Borrowers (October 2017, as amended from time to time),<sup>35</sup> using quality and cost-based selection criteria with a quality-cost ratio of 90:10, through a full technical proposal.

14. All international consultants should have experience in developing countries. Experience in the Southeast Asia region, preferably Timor-Leste, will be considered. All national consultants should be fluent in English as well as Tetum and Portuguese.

15. Separate consulting and service contracts for specialized services, including but not limited to: (i) topographical and geotechnical field surveys; (ii) water quality testing; (iii) socioeconomic surveys; (iv) project accounting; and (v) project financial reporting and auditing, may be required. Terms of reference for these contracts will be prepared as part of the PSC scope and provision for these subcontracts will be included in the main consulting contract as provisional cost items and may be subject to competitive bidding during project implementation.

16. The consulting firm will include an estimated 776 person-months of consulting services (192 person-months international and 584 person-months national). Proposing firms have some flexibility to determine the number and nature of the experts they will require to achieve the objectives of the contract, in accordance with their proposed approach and methodology and to ensure the output deliverables are prepared to an agreeable standard. However, ADB requires minimum expertise in specific areas, with the minimum international and national person-months as listed in **Table 1**. CVs of these mandatory experts must be submitted.

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<sup>35</sup> Available at <https://www.adb.org/sites/default/files/adb-procurement-policy.pdf> and <https://www.adb.org/sites/default/files/procurement-regulations-adb-borrowers.pdf>

**Table 17: Indicative Person-Months**

<b>Code</b>	<b>Position Title</b>	<b>Total</b>
<b>A</b>	<b>International Key Experts</b>	
K-A1	Team Leader / Water Supply and Sanitation Engineer	60
K-A2	Senior Construction Supervision Manager	48
K-A3	Mechanical/Electrical, Instrumentation and Control Engineer	8
K-A4	Financial Management Specialist	6
K-A5	O&M and Asset Management Specialist	8
K-A6	Environmental Specialist	12
K-A7	Resettlement and Indigenous People Specialist	12
K-A8	Gender and Social Specialist	12
K-A9	Procurement Specialist	2
<b>B</b>	<b>International Non-Key Experts</b>	
NK-A1	Information, Education and Communication Specialist	6
NK-A2	Water Resources Management Specialist	6
NK-A3	Project Performance Monitoring Evaluation Specialist	12
<b>C</b>	<b>National Key Experts</b>	
K-B1	Environmental and Health & Safety Expert	24
K-B2	Resettlement and Indigenous Peoples Expert	24
K-B3	Gender and Social Expert	42
K-B4	Mechanical/Electrical Engineer	16
K-B5	Construction Supervision Engineer (1)	48
K-B6	Construction Supervision Engineer (2)	48
K-B7	Construction Supervision Engineer (3)	48
<b>D</b>	<b>Non-Key National Experts</b>	
NK-B1	Water Resources Expert	12
NK-B2	Project Performance Monitoring Evaluation Expert	22
NK-B3	Information, Education and Communication Specialist	12
NK-B4	Construction Supervisors	288
	<b>International Key and Non-Key Person-Months</b>	<b>192</b>
	<b>National Key and Non-Key Person-Months</b>	<b>584</b>
	<b>Total Inputs</b>	<b>776</b>

17. The qualification requirements for the mandatory experts needed are listed below.

## **A. International Key Experts**

### **1. K-A1 Team Leader/Water Supply and Sanitation Engineer**

18. The Team Leader will manage and coordinate the overall consulting services and provide project management support to the Executing Agency (EA) and PMU. S/he will provide technical and capacity development inputs to support sector coordination, policy implementation and other key water sector issues to Government, ADB and team members.

19. The Team Leader will have a Bachelor's degree in civil/municipal engineering or similar and be a chartered/professional engineer with broad experience in the implementation and operation and maintenance of water and sanitation sector infrastructure projects, as well as planning and management. S/he will have a minimum of twenty (20) years of experience in water supply and sanitation development, including at least ten (10) years' experience in Asia-Pacific developing countries, and with sound experience of managing a culturally diverse team. Duties of the Team Leader will include the following:

- (i) Manage, coordinate and supervise all consulting services for the Project to ensure that (a) inputs and activities of both the international and national consultants are of high quality and effective; and (b) all consulting components and project components are fully integrated and properly coordinated;
- (ii) Assist PMU to manage all aspects of project implementation, including (a) overall project planning, scheduling, management and coordination; (e) bidding, evaluation and contract award; (f) contract management and construction supervision; (g) project forecasting and monitoring; (e) safeguard compliance; (f) O&M services and training program implementation, and (g) progress reporting;
- (iii) Provide assistance and guidance to PMU on administrative procedures, project accounts, procurement, report preparation, project performance monitoring and evaluation, and ADB procedures;
- (iv) Assist PMU to conduct initial project orientation and information meetings with key stakeholders at central, municipal and village levels, and ensure clear understanding by the stakeholders of the objectives, scope, organization and work plan of the Project, and their roles and responsibilities;
- (v) Assist PMU to prepare and conduct workshops and meetings with municipal administrations in the three project cities;
- (vi) Assist PMU to help municipal administrations adopt sanitation regulations;
- (vii) Assist PMU to facilitate adoption of free connections policy;
- (viii) Assist PMU to prepare operational budgets, disbursement projections, and withdrawal applications, and provide ongoing support for project accounting and reporting systems;
- (ix) Participate in loan reviews, midterm review and assist with the preparation of the project completion report;
- (x) Assist PMU to develop capacity development activities as part of the Institutional Development Roadmap;
- (xi) Provide support to PMU to build capacity in regulatory environment and operation and maintenance;
- (xii) Prepare, monitor, and update as necessary project implementation schedules;
- (xiii) Provide guidance on all procurement matters;
- (xiv) Provide guidance on all contract management matters, including preparation and monitoring of Contract Management Plan (CMP) and site-specific Health and Safety Management Plan (SSHSMP);



- (xv) Overview, supervise, inspect, measure, and control the quality of the construction works and the installation of equipment to ensure compliance with contract drawings and specifications, and make recommendations to PMU on the issuance of the certificates of completion;
- (xvi) Assist PMU to (a) administer the construction and procurement contracts; (b) commission and evaluate the performance of completed facilities and new equipment; (c) review and validate any proposed design modification; and (d) verify the completion documentation such as as-built drawings, O&M manuals etc is accurate and functionally correct;
- (xvii) Prepare quarterly progress reports to PMU;
- (xviii) Carry out monitoring of progress against design and monitoring framework (DMF) and GAP, including conducting any surveys necessary to obtain information required for reporting of project performance;
- (xix) Assist PMU to prepare progress reports, project completion report and PPMS reports; and
- (xx) Oversee project safeguards compliance.

## 2. **K-A2 Senior Construction Supervision Manager**

20. The international Senior Construction Supervision Manager will take the lead role in assisting the PMU and Team Leader to administer and supervise the civil works contracts and construction work in general in the three project cities. S/he will also assist bid evaluation committees and international procurement specialist in bid evaluation of civil works packages. S/he will spend a significant amount of time in the field to inspect, monitor and report on construction activities. S/he will have a Bachelor's degree in civil/municipal engineering or similar and be a chartered/professional engineer with at least twenty (20) years of experience in civil engineering, and no less than 10 years on contracts management, procurement, and construction supervision, including at least ten years' experience in Asia-Pacific developing countries. S/he will have the following specific duties:

- (i) Provide overall guidance and supervision to the contract management and construction supervision of all civil works contracts;
- (ii) Assist bid evaluation committees in bid evaluation;
- (iii) Assist PMU in management of all aspects of bidding and contract award on all civil works contracts in the three project cities;
- (iv) Manage and control the Construction Engineers and Construction Supervisors on the execution of all civil works contracts;
- (v) Liaise with all other technical specialists as necessary on the execution of the civil works contracts;
- (vi) Review and certify contractors' interim payment requests for final approval of PMU;
- (vii) Issue site instructions, review all contract variations and issue variations as authorized by PMU;
- (viii) Set up and monitor a quality assurance system;
- (ix) Set up a system to monitor the budget and schedule of all civil works contracts;
- (x) Assisting in commissioning of all water supply and sanitation infrastructure implemented in the three project cities; and
- (xi) Provide inputs to all progress reports, PPME reports and the final completion report.

### 3. **K-A3 Mechanical/Electrical, Instrumentation & Control Engineer**

21. The international Mechanical/Electrical, Instrumentation and Control Engineer will assist the PMU by reviewing the detailed electrical and automation designs of water supply and sanitation systems for the three project cities. S/he will have at least a Bachelor's degree or equivalent in electrical engineering with at least ten (10) years of experience on the mechanical/electrical, instrumentation and control design of water supply engineering projects; at least five (5) years of experience in this type of work in Asia-Pacific developing countries is required. Specific duties include:

- (i) Review detailed mechanical/electrical engineering designs, technical specifications, performance specifications, detailed cost estimates and quantities, including all process and instrumentation drawings and control and monitoring systems for the three project cities. Provide recommendation as required;
- (ii) Undertake periodic inspections during construction to ensure that the mechanical/electrical, instrumentation and control works comply with the design intent;
- (iii) Review and validate any proposed design modification to mechanical/electrical, instrumentation and control works;
- (iv) Assist in the commissioning of the completed mechanical/electrical, instrumentation and control facilities and equipment in the three project cities;
- (v) Provide guidance to the national Mechanical/Electrical engineer to undertake periodic inspections during construction to ensure the mechanical/electrical, instrumentation and control works comply with the design intent;
- (vi) Review and verify the completion documentation such as as-built drawings, O&M manuals etc for accurate and functionally correct in the three project cities; and
- (vii) Contribute to all necessary reporting under the Project.

### 4. **K-A4 Financial Management Specialist**

22. The international Financial Management Specialist will assist the PMU in determining the required tariff levels to meet the financial and demand management objectives of the sector. The Specialist will review the financial initiatives undertaken by the O&M service provider to improve the financial performance of the three project cities. The Specialist will have a business management/financial or accounting/finance and economics postgraduate qualification with a minimum of fifteen (15) years of experience in the water supply industry, and at least seven (7) years in the Asia-Pacific developing countries. Specific tasks will include:

- (i) Reviewing current accounting and administrative capacities within each of the three project cities water services, the internal control system employed and internal and external auditing procedures, and produce an assessment report for consideration by MPW/;
- (ii) Facilitate regular reviews of the project cities water services performance and compliance against policies and procedures and identifying any corrective actions for implementation;
- (iii) Reviewing the performance of the O&M service provider against performance requirements in their contract for the financial component of the O&M services and training program;
- (iv) Reviewing financial systems, documentation and training modules prepared by the O&M service provider for the project cities including: (a) customer billing and collection, (b) financial planning and budgeting, (c) inventory accounting, (d) fixed

- assets accounting, (e) financial information reporting and monitoring, and (f) overall internal control;
- (v) Developing an internal audit manual;
- (vi) Providing support as necessary in the development and establishment of a benchmarking program; and
- (vii) Providing detailed and close support in the preparation of all progress and other reports, as well as support to ADB loan review missions

## 5. **K-A5 O&M and Asset Management Specialist**

23. The international O&M and Asset Management Specialist will assist the PMU by reviewing O&M documentation, procedures and systems in the three project cities urban water supply and sanitation services. S/he will have at least a Bachelor's degree in engineering or equivalent and have at least fifteen (15) years of experience in the water supply and sanitation sector in Southeast Asia. Previous experience in the water supply and sanitation sectors in Timor-Leste will be an advantage. Specifically, s/he will:

- (i) Reviewing the status and utilization of the asset management system used in the three project cities, and produce an assessment report for consideration by MPW;
- (ii) Reviewing the performance of the O&M service provider against performance requirements in their contract for technical aspect of O&M, asset management and nonrevenue water reduction.
- (iii) Reviewing systems, documentation and training material prepared by the O&M service provider for the three project cities including: (a) standard operating procedures, (b) system monitoring documentation (c) billing system and procedures, (d) asset management systems including warehouse systems, (e) NRW reduction, (f) annual plans for O&M works including budgets, and (g) planning documents such as water safety plans and emergency plans;
- (iv) Providing awareness raising on leak detection and repair to the MPW staff, and the three project cities staff in water supply systems and work with the gender and social specialist on community awareness programs on leak prevention;
- (v) Identifying suitable personnel within each of the three project cities to form the core of the proposed leak detection and repair teams;
- (vi) Providing overall supervision of the leak detection programs to be delivered by the O&M service provider in the three project cities. Ensure the O&M service provider provides on-the-job training to managerial, technical, and commercial staff on nonrevenue water management, and leak detection and repair. This should include but not limited to water meter testing, identification of illegal connections etc;
- (vii) Aligning O&M, asset management and NRW reduction policies and priorities from MPW with implementation at each project city;
- (viii) In close consultation with PMU assist with observing and assessing the effectiveness of all O&M training activities;
- (ix) Review the three project cities water and effluent quality testing and monitoring programs to ensure compliance with water quality standards and effluent discharge standards;
- (x) Assisting in commissioning of all water supply and sanitation infrastructure implemented in the three project cities;
- (xi) Coordinate activities with the financial management specialist and accounting expert;

- (xii) Towards the end of the second year of the O&M contract, the O&M and Asset Management Specialist will assess the capacity of the SMASA staff to operate and maintain the new water supply and sanitation infrastructures and provide recommendations on any further capacity development and/or technical support that is required; and
- (xiii) Contribute to all reporting requirements under the Project.

## 6. **K-A6 Environmental Specialist**

24. The international Environmental Specialist will provide capacity development in environmental assessment and monitoring to PMU staff. The international environmental specialist will work closely with the national environmental expert. The International Environment Specialist will have a postgraduate degree in a relevant discipline such as environmental engineering, engineering, or the biological sciences, and at least fifteen (15) years of experience in the environmental management of infrastructure projects, including environmental assessment, and works supervision; preferably for projects financed by ADB and other multilateral development banks (MDBs). S/he will primarily ensure that the various urban infrastructure improvement projects conform to ADB's Safeguard Policy Statement 2009 particularly to the environmental aspects. S/he will also assess and ensure compliance with applicable Timor-Leste environment laws and update environmental safeguard documents and undertake field visits to assist with IEE and EMP preparation and with supervision of construction. Specific tasks include:

- (i) Provide initial orientation to PMU staff in environmental assessment and management. The capacity development should cover purposes, methods of assessment, reporting requirements, EMP preparation, inclusion of EMP into works contracts, and compliance monitoring during supervision. Further, the capacity development should be based on the Initial Environmental Examination (IEE) for the Project. Focus of capacity development should be on the PMU Environmental Engineer/Officer and grievance point person;
- (ii) Assist the PMU in securing relevant environmental licences and certificates prior to contract awards and to ensure fulfilment of national requirements on monitoring and reporting, including obtaining any necessary validity extensions;
- (iii) Ensure that EMP requirements are included in the civil construction contract documents;
- (iv) Establish, manage and ensure reporting on project-specific grievance redress mechanism (GRM) in line with the EMP;
- (v) Ensure work contractors prepare site-specific construction EMP (CEMP) in accordance with IEE/EMP and environment safeguard requirements;
- (vi) Review and ensure CEMPs of work contractors are cleared by the PMU before commencement of works on site and ensure ADB is informed of the CEMP clearance before works start;
- (vii) Assist PMU to implement environmental monitoring programs;
- (viii) Assist PMU to prepare and use standard reporting formats for environmental monitoring reports;
- (ix) Assist PMU to undertake consultations with local communities on environmental issues to ensure that their needs and concerns are addressed during implementation;
- (x) Provide inputs on progress reports, safeguards monitoring reports and project completion report;

- (xi) Ensure that the IEEs/EMPs meet the requirements of the Government and ADB, and carry out or arrange for any further tasks such as site investigations, design of mitigation measures or additional reporting;
- (xii) Visit project cities during construction and provide guidance relating to supervision and compliance monitoring, advising PMU and construction supervisors of any actions required to ensure compliance with the EMP/CEMP;
- (xiii) Periodically review monitoring reports and identify any adaptations or improvements necessary in order to ensure that the EMP and any necessary corrective actions is being properly implemented;
- (xiv) Develop and lead any further environmental safeguards training and capacity development measures as deemed necessary and as capacity gaps are identified; and
- (xv) The consultant will flag to Team Leader and/or PMU any issue that may cause delay in project implementation or pose safeguards compliance risk to the Project.

## 7. **K-A7 Resettlement and Indigenous People Specialist**

25. The international Resettlement and Indigenous People Specialist will assist PMU to deliver safeguards, including to build capacity, as well as to prepare, monitor and supervise all land acquisition and compensation including resettlement activities. S/he will have a postgraduate degree in a relevant discipline such as social sciences or equivalent and at least fifteen (15) years of experience in Land Acquisition and Compensation (LAC) and Indigenous Peoples Planning activities associated with infrastructure projects financed by ADB and other MDBs. The specialist shall have track records in undertaking social safeguard assessments of infrastructure projects and solid experience in preparing resettlement, indigenous peoples/ethnic minorities and other social development plans in accordance with ADB SPS. The specialist will assist MPW/PMU in the following:

- (i) Preparing methodology, tools, templates, and notes for social safeguards impact assessment based on ADB Safeguard Policy Statement (SPS) and laws and regulations of the Government of Timor-Leste. The methodology, templates and tools will be discussed and agreed with ADB prior to commencing the impact assessment/screening;
- (ii) Planning data collection surveys for Land Acquisition and Resettlement (LAR) and Indigenous Peoples Planning activities. Conducting fieldwork such as public consultations, collection of additional data on affected persons (APs) if required, coordinate with local level government officials and others;
- (iii) Preparing three Community Water Management Plans drawn from consultations with affected communities and ensuring customary rules have been considered in the development of the water sources;
- (iv) Providing guidance to the EA, PMU on social safeguards aspects of the project with emphasis on land acquisition, compensation, livelihoods restoration, indigenous peoples safeguards requirements, compliance monitoring and reporting;
- (v) Provide training to project staff and the three project city SMASAs, PMU and contractors on national legal and regulatory framework, ADB SPS and its application as well as Project safeguards requirements. The training contents will be agreed with ADB in advance;
- (vi) Based on approved detailed engineering design, review and update the REGDPs, and ensure the following activities are carried out in a timely manner:
  - a) Preparing draft LACPs inventory of losses and public information booklets;

- b) Preparing customary water management plans as a result of meaningful consultation with communities in line with customary land law;
  - c) Conducting detailed measurement survey (DMS) of affected assets and confirming the number of permanent and temporary loss of land and assets;
  - d) Conducting asset registration survey to confirm all impacted assets, impacted households, and number of severely affected households (AHs) due to the loss of productive agricultural land and residential structures;
  - e) Providing maps with geo references (e.g., MapInfo, GIS, AutoCAD) of the affected villages and all acquired land using unique household identifiers to link HH documents and surveys to land;
  - f) Providing photos of each surveyed household (preferably with all persons present) to be taken in front of their abode, with their household ID (unique identifier). Consent should be sought prior to photo taking and should the household refuse, a signed letter declining the photo is to be provided; and
  - g) Maintaining a register of all documents such as inventory of losses (IoL), detailed measurement survey (DMS), Socioeconomic Survey of Affected Households (SESAH), compensation forms, grievances, etc.) ensuring that household IDs (unique identifier) are recorded both on the document and on e-files.
- (vii) Assisting in the conduct of the information campaigns and continued meaningful public consultation;
  - (viii) Assisting PMU to (a) supervise and monitor land acquisition and resettlement, in accordance with the approved city resettlement plans and ADB's Policy on Involuntary Resettlement, and; (b) implement the resettlement plans with a focus on community consultation, entitlement review, compensation assessment, and grievance procedures;
  - (ix) Ensuring that grievances redress mechanisms are established and functional, and advising if necessary on any required improvements. Working with grievance committee members of the Project-Specific Grievance Redress Mechanism (GRM) to build capacity on roles and responsibilities of the GRC, record keeping, reporting etc.;
  - (x) Assisting PMU, and local resettlement committees to establish database of APs, including records of compensation awards and grievance redress;
  - (xi) The consultant will flag to Team Leader and/or PMU any issue that may cause delay in project implementation, or pose safeguards compliance risk to the Project; and
  - (xii) The consultant will help to establish and implement procedures for ongoing internal monitoring; provide inputs to quarterly progress reports and final completion report and will prepare semi-annual social safeguards monitoring reports for the Project.

## 8. **K-A8 Gender and Social Specialist**

26. The international Gender and Social Specialist will assist the PMU in implementation of the project gender commitments. S/He will promote mainstreaming of gender into the Project by advising the PMU on GAP implementation and delivering gender awareness training to improve understanding of gender issues to relevant project implementation staff and project beneficiaries. The specialist will have tertiary qualifications in a relevant discipline such as social sciences or equivalent and at least fifteen (15) years of experience in social and gender issues associated with infrastructure projects. The services will include the following:

- (i) Support PMU in the implementation of the GAP;

- (ii) Consult with Women's associations, beneficiaries and staff of the three project cities to:
  - a. ensure women's needs are addressed in project activities, including in tariff design and tariff collection policy;
  - b. inform project monitoring reports;
  - c. develop women's capacity to manage household water; and
  - d. support capacity building activities for community management of operation and maintenance of public toilets in the project cities.
- (iii) Provide advice to O&M service providers on gender issues related to developing capacity for community management, operation and maintenance of public toilets;
- (iv) Provide advice on implementing the GAP including data collection and monitoring, coordinating gender issues, technical design issues, gender sensitive communication, equal access to training and capacity development, and mentoring opportunities. Develop and measure gender indicators to differentiate outcomes of male and female beneficiaries;
- (v) Prepare the GAP monitoring report and provide inputs to the project completion report on the gender outcomes;
- (vi) Provide support to carry out surveys to identify take-up of connections, consumer satisfaction including on potable water inside the dwelling, time-use studies, effect on household gender relations, and report on status of project implementation;
- (vii) Provide support and contribute towards the preparation of gender mainstreamed operational guidelines, grievance dispute resolution mechanism including gender-based violence referrals, asset management and corporate business plan;
- (viii) Prepare training courses relevant to the water sector and appropriate for all project implementing agencies and stakeholders.
- (ix) Deliver gender awareness training to PSC team members, PMU, project city staff, MPW staff and other relevant agencies, NGOs and individuals as required; and
- (x) Integrate gender issues as part of the curriculum in all project training courses.

## 9. K-A9 Procurement Specialist

27. The international Procurement Specialist will assist the procurement committees established by EA on all aspects of procurement under the Project. S/he will have a Bachelor's degree in a relevant field and at least ten (10) year of experience in public procurement, with at least 5 years on externally assisted projects. Experience on ADB-funded projects will be highly regarded. Experience of working with the ADB Procurement Policy (2017) and the Procurement Regulations for ADB Borrowers (2017) will be preferred. Experience in procurement of water supply and sanitation related civil works will be preferred. The specific tasks of Procurement Specialist are as follows:

- (i) Assist the Team Leader and Senior Supervision Manager Specialist to prepare and compile all bidding documents for civil works and shopping packages, based on the latest requirements of ADB and the Government of Timor-Leste, including consulting with the safeguard specialists to ensure relevant safeguard provisions (such as IEEs, EMPs, LACPs) are included in the bidding documents;
- (ii) Assist the PMU and bid evaluation committees in procurement of services and civil works contracts to conduct pre-bid meetings, bid openings, bid evaluations and contract negotiations; and
- (iii) Assist the Team Leader and Senior Supervision Manager Specialist in any procurement capacity development, reporting and training programs.

## **B. International Non-key Experts**

### **1. NK-A1 Information, Education and Communication Specialist**

28. The international Information, Education and Communication Specialist will assist the PMU to provide a communication program to address water usage, sanitation and hygiene, climate change resilience and gender mainstreaming activities. She/he will have a relevant bachelor's degree in social science or related discipline, with at least ten (10) years of experience in communication of a range of fields. She/he should be diligent and have demonstrated good organizational skills. Specifically, the Information, Education and Communication Specialist will:

- (i) With the relevant government agencies and other counterparts develop a communication strategy and action plan that fully incorporates water usage, sanitation and hygiene, climate change resilience and gender mainstreaming;
- (ii) Prepare an awareness campaigns for water usage, sanitation and hygiene, gender mainstreaming activities, and around the potential impacts of climate change. The campaigns may include workshops, focus groups, etc. Trial the campaigns in the community with the National Education, Information, Communication Expert and counterpart agencies;
- (iii) Plan the preparation of the campaigns with relevant specialist and national experts in the areas of environment, resettlement and indigenous people, and gender and social;
- (iv) Prepare knowledge management products (lessons learned document, websites, etc).
- (v) Prepare a report documenting the Education, Information, Communication materials and interventions.

### **2. NK-A2 Water Resources Management Specialist**

29. The international Water Resources Management Specialist will assist the PMU to assess water resources in the three project cities. S/he will have at least a bachelor's degree or equivalent in civil/environmental engineering, or related discipline, and will be an internationally recognized chartered/ professional engineer with at least ten (10) years of experience in water resource assessment and management; at least five (5) years of water resource experience in Southeast Asia is required. Specific duties include:

- (i) Undertake an extensive review of all available water resource information from government agencies as well as the private sector, previous project documentation, aid organizations, NGOs etc;
- (ii) Develop a field investigation program to complement the findings of the review;
- (iii) Develop a monitoring program using existing monitoring equipment such as access to bore holes to monitor water level, surface water monitoring equipment such as Vee notch weirs and river gauging stations. Where equipment is not available determine simple alternatives;
- (iv) Prepare a training program in field techniques for assessing and monitoring water resources including developing a water resource monitoring program.
- (v) Using the gathered existing water resource information/data and the results of water resource field monitoring data identify trends in water resource availability with specific reference to identifying climate change effects and providing guidance on activities to improve sustainability of the water resources.



- (vi) Prepare six reports; made up of two report prepared for each of the three cities (Lospalos, Viqueque and Same) as follows:
  - a. **Water resource assessment report** using all information collected to characterise the available water resources in the three cities. Document trends in water resource availability and quality as well as potential threats to the water resources including climate change etc.
  - b. **Water resources monitoring report** clearly outline the intentions of monitoring water resources. The report shall provide a practical monitoring program to be implemented by the relevant government agencies including training modules.
- (vii) Contribute to all necessary reporting under the Project.

### 3. **NK- A3 Project Performance Monitoring Evaluation Specialist**

30. The international Project Performance Monitoring Evaluation Specialist with the national expert will assist PMU and Team Leader to monitor the progress of project implementation and monitor the delivery of outputs, outcomes and impacts under the project. S/he and the national expert will develop a project-specific monitoring system and develop monitoring indicators and using the design and monitoring framework for the project. The specialist will have bachelor's degree in social sciences or a related field; at least ten (10) years of experience on international development projects or a related field and have at least five (5) years of experience as a project monitoring expert or related area. Previous experience in the sectors in Timor-Leste will be a distinct advantage. Duties of the specialist will include the following:

- (i) Assist the Team Leader and PMU to design a PPME framework, based on ADB guidelines for preparing a design and monitoring framework;
- (ii) Assist in the design of socioeconomic and other surveys to ensure an adequate baseline can be established;
- (iii) Provide guidance to the Project Performance Monitoring Evaluation expert to assist the PMU to collect, record and analyse all necessary data, including baseline data;
- (iv) Liaise with the project gender and social experts to ensure gender performance indicators are represented in the PPME, monitored and reported;
- (v) Provide training and guidance to PMU on their duties and responsibilities under the PPMS;
- (vi) Prepare annual PPME reports for submission; and
- (vii) Assist in compiling the project completion report information.

## C. **National Key Experts**

### 1. **K-B1 Environmental and Health & Safety Expert**

31. The national Environmental and Health & Safety Expert will work under the guidance of the Environmental Specialist and assist in preparation of environmental assessments for the three project cities and provide capacity development in environmental assessment and monitoring to PMU staff. The national Environmental Specialist will have a postgraduate degree in a relevant discipline such as environmental engineering, engineering, or the biological sciences, be familiar with the Environmental Protection Law of Timor-Leste and other relevant environmental legislation and have at least five (5) years of experience of working on infrastructure projects involved in environmental assessment, monitoring, or carrying out mitigation measures. Also, fluency in English and proven report preparation skills is required. Specifically, S/he will:

- (i) Assist the international Environment Specialist, in designing and carrying out initial orientation to PMU staff in environmental assessment and management, including the preparation of material and instruction in Tetum language;
- (ii) Coordinate with the social and resettlement specialists on stakeholder consultations related to environment aspects and/or address all of grievances through the GRM;
- (iii) Review of IEEs/EMPs for each of the three project cities and make recommendations on any improvements/changes. Coordinate with PMU for any further investigations or reporting that may be necessary;
- (iv) Provide inputs to progress reports and project completion report;
- (v) Visit the three project cities during construction and provide guidance on supervision and compliance monitoring, advise PMU and construction supervisors of any actions required to ensure EMP/CEMP compliance;
- (vi) Visit the three project cities where construction has been completed and assist with establishing environmental monitoring procedures for the operation phase of the subprojects;
- (vii) Review, revised and update the EMPs for each project city;
- (viii) Provide inputs to bidding and construction supervision team, design engineer and procurement specialist to ensure that EMPs are integrated in contract and bidding documents;
- (ix) Review safeguards monitoring reports and prepare submission to ADB semi-annually;
- (x) Review health and safety measures implemented by the contractor to fulfil health and safety requirements of the contract;
- (xi) Prepare summary of environmental safeguards and project GRM implementation progress for inclusion in the quarterly project progress monitoring reports;
- (xii) Assist PMU and other relevant agencies in local safeguards documentation translation and disclosure; and
- (xiii) Work with the Team Leader to ensure EMP implementation monitoring is included within the overall project monitoring progress reports and flag any issues on project implementation and/or safeguards compliance risk.

## 2. **K-B2 Resettlement Expert**

32. The national Resettlement Expert will work under the guidance of the International Specialist and assist to prepare, monitor and supervise all land acquisition and compensation including resettlement activities. They will have a postgraduate degree in a relevant discipline such as social sciences or equivalent and at least five (5) years of experience in LAC activities associated with infrastructure projects. The specialist will undertake field visits to assist with the preparation, carry out public consultations, updating and implementation of resettlement plans, conducting DMS and replacement cost survey. Specific tasks are as follows:

- (i) Plan data collection surveys for LAR and IPP related activities;
- (ii) Assist the PMU to prepare and update LACP and IPP for all subprojects following the principles of the LAR framework;
- (iii) Work closely with and provide guidance to the Executing Agency (EA), Implementing Agency (IA), and PMU on social safeguards aspects of the project with emphasis on land acquisition, compensation, livelihoods restoration, compliance monitoring and reporting. This will also preparation of relevant safeguards instruments such as: LACP/LAEGP/EGDP as necessary;

- (iv) Assist in trainings of project staff and implementation agency (IA) and PMU on national safeguards policy and ADB safeguards policy and its applications. The training should include key concepts on Resettlement Management Process, demonstrating on how to implement the LARPs in a timely manner;
  - (v) Based on approved technical design and bidding documents, carry out public consultations as part of updating of the draft safeguards documents such as: Due Diligence reports/LAEGP/EGDPs as relevant;
  - (vi) Carry out field works, including conducting DMS of affected assets and confirm the number of permanent and temporary loss of land and assets;
  - (vii) Conduct asset registration survey to confirm all impacted assets, impacted households, and number of severely AHs due to the loss of productive agricultural land and residential structures;
  - (viii) Assist in preparation of maps with geo references (e.g., MapInfo, GIS, AutoCAD) of the affected villages and all acquired land using unique household identifiers to link HH documents and surveys to land;
  - (ix) Provide photos of each surveyed household (preferably with all persons present) to be taken in front of their abode, with their household ID (unique identifier). Consent should be sought prior to photo taking and should the household refuse, a signed letter declining the photo is to be provided;
  - (x) All documents (IoL, DMS, SESA, compensation forms, grievances, etc.) should include household IDs (unique identifier) both on the document and on e-files;
  - (xi) Assist in the conduct of the information campaigns and public consultation;
  - (xii) Assist PMU to (a) supervise and monitor land acquisition and resettlement, in accordance with the approved provincial resettlement plans and ADB's Policy on Involuntary Resettlement, and; (b) implement the resettlement plans with a focus on community consultation, entitlement review, compensation assessment, and grievance procedures;
  - (xiii) Ensure that grievances redress mechanisms are appropriate, and advise if necessary on speedy resolutions;
  - (xiv) Assist PMU and local resettlement committees to establish their APs database, including records of compensation awards and grievances redress;
  - (xv) Provide inputs to all progress reports and final completion report and provide information to IEM as necessary;
  - (xvi) Prepare LACPs inventory of losses and public information booklets;
  - (xvii) Provide inputs to feasibility studies and other documents as required by the Team Leader;
  - (xviii) Establish and implement procedures for ongoing internal monitoring;
  - (xix) Assist PMU in preparing the internal monitoring reports; and
  - (xx) Provide orientation and capacity development on LAR, project policies, grievance redress procedure, public consultation process and effective RP implementation to staff of PMU and district agencies.
- (i)
- 3. K-B3 Gender and Social Expert**

33. The national Gender and Social Expert will work closely with the international gender and social specialist and the resettlement expert to support the preparation of poverty and social analyses, gender strategy and action plans and ethnic groups development frameworks or plans for the subprojects. In addition, S/he will support mainstreaming of gender into the Project through the GAP, gender awareness training and community capacity building. The specialist will have tertiary qualifications in a relevant discipline such as social sciences or equivalent and at least 5 years of experience in social and gender. The services will include the following:

- (i) Assist PMU in implementation of the GAP, in accordance with Government and ADB gender policies and objectives;
- (ii) Assist in carrying out socioeconomic surveys in all subproject cities to include gender and development, ethnic groups, and community capacity building;
- (iii) Gather data for a socioeconomic profile for each city, including information relating to connections, consumer satisfaction, effect on household gender relations, with data disaggregated by sex, ethnicity, and income where possible throughout project implementation phase;
- (iv) Consult with beneficiaries and staff of the three project cities to ensure women's needs are addressed in project activities, and in the design and monitoring of the Project:
  - a. including through service connection to dwelling ; and
  - b. tariff design and collection policy.
- (v) Act as gender focal point and facilitator for gender mainstreaming in data collection and monitoring, coordination within the sector, technical design issues, communication, training and capacity development, and mentoring;
- (vi) Assist in the preparation of the GAP monitoring report and provide inputs to the project completion report on the gender outcomes;
- (vii) Contribute towards the preparation of gender mainstreamed roadmap, operational guidelines, asset management and corporate business plan;
- (viii) Contribute to the preparation and delivery of training courses and stakeholder workshops to inform and raise awareness about gender in sector and develop community capacity to manage public toilets;
- (ix) Review training materials prepared under other projects or programs, and adapt these materials to local conditions to inform benefits of water conservation and practical strategies for household conservation of water in consultation with PMU teams and other stakeholders;
- (x) Develop and produce project and relevant hygiene awareness materials as needed. Assist PMU and SMASAs to raise awareness on benefits use of handwashing and use of clean water; and
- (xi) Facilitate knowledge sharing of gender and social approaches in the sector, including through partner forums, reports and social media communications.

#### 4. **K-B4 Mechanical/Electrical Engineer**

34. The national Mechanical/Electrical Engineer will work with and under guidance from the international Mechanical/Electrical, Instrumentation and Control Engineer to review mechanical, electrical instrumentation and control design and undertake periodic inspections during construction to ensure that the mechanical, electrical instrumentation and control works comply with the detailed designs of all water supply and sanitation systems in the project cities. S/he will have at least a Bachelor's degree or equivalent in electrical engineering with at least five (5) years of experience on the electrical design aspects of water supply engineering projects. Specific duties include to:

- (i) Review the proposed mechanical, electrical instrumentation and control technologies in the detailed engineering design and ensure are appropriate options. Make recommended changings/improvements as necessary;
- (ii) Undertake periodic inspections during the construction and the installation of mechanical/electrical, instrumentation and control works including SCADA systems to ensure the works comply with the design intent;

- (iii) Ensure all the technical specifications and performance specifications, including all process and instrumentation drawings and remote control and monitoring systems are properly followed and installed; and
- (iv) Assist with the commissioning of the completed mechanical/electrical, instrumentation and control facilities and equipment in the three project cities;
- (v) Review and verify the completion documentation such as as-built drawings, O&M manuals etc for accurate and functionally correct in the three project cities; and
- (vi) Contribute to all necessary reporting under the Project.

#### **5. K-B5-7 Construction Supervision Engineer (three)**

35. Three national Construction Supervision Engineers will assist the Senior Construction Supervision Manager to manage construction and commissioning of the works. Each construction engineer will be assigned to one of the three project cities. They will be based in Dili and will spend a substantial amount of time in the field at their allocated project city to inspect, monitor and report on construction activities. They will have a Bachelor's degree in engineering with at least ten (10) years of experience in construction work on major infrastructure. Their specific tasks are as follows:

- (i) Monitor, and update as necessary construction schedules with recommendations on construction supervision and management;
- (ii) Monitor and update construction cost schedules and contract expenditures;
- (iii) Process and check the content of all interim payment claims by the contractors;
- (iv) Supervise, inspect, measure, and control the quality of the construction works and the installation of equipment to ensure compliance with contract drawings and specifications, and make recommendations to the Senior Construction Supervision Manager on the issuance of Contract Notices, and payment certificates;
- (v) Assist the Senior Construction Supervision Manager to (a) administer and supervise the construction and procurement contracts; (b) commission and evaluate the performance of completed facilities and new equipment; and (c) review and validate any proposed design modification; and
- (vi) Assist the Senior Construction Supervision Manager with inputs to progress and project performance management system (PPMS) reports.

### **D. Non-key National Experts**

#### **1. NK-B1 Water Resources Expert**

36. The national Water Resources Expert will assist international Water Resources Management Specialist to assess water resources in the three project cities. S/he will have a bachelor's degree or equivalent in civil/environmental engineering and at least (5) five years of experience in water resources management projects. The Water Resources Expert will have the following specific tasks:

- (i) Work with the International Water Resources Management Specialist to undertake an extensive review of water resource information. Undertake extensive investigations to obtain copies of all available information for the review;
- (ii) Develop a water resources field investigation program with the International Water Resources Management Specialist and lead the implementation of the program;
- (iii) Provide training to the national and municipal agencies in field techniques for assessing and monitoring water resources. The training should include

techniques to establish monitoring programs in each municipality along with effective reporting to inform other authorities of the state of the water resources; and

- (iv) Support the International Water Resources Management Specialist as required.

## 2. **NK-B2 Project Performance Monitoring Evaluation Expert**

37. The national Project Performance Monitoring Evaluation Expert will work with the Project Performance Monitoring Evaluation Specialist to assist PMU and Team Leader to monitor the progress of project implementation and monitor the delivery of outputs, outcomes and impacts under the project. Together with the Project Performance Monitoring Evaluation Specialist they will develop a project-specific monitoring system and develop monitoring indicators using the design and monitoring framework for the project. The expert will have a degree in social sciences or a related field; and have at least five (5) years of experience as a project monitoring expert or related area. Duties of the specialist will include the following:

- (i) Work with the Project Performance Monitoring Evaluation Specialist to assist the Team Leader and PMU to design a PPME framework, based on ADB guidelines for preparing a design and monitoring framework;
- (ii) With the Project Performance Monitoring Evaluation Specialist assist in the design of socioeconomic and other surveys to ensure an adequate baseline can be established;
- (iii) Assist, and accompany as necessary, the PMU to collect, record and analyse all necessary data, including baseline data;
- (iv) Liaise with the project gender and social experts to ensure gender performance indicators are represented in the PPME, monitored and reported;
- (v) With the Project Performance Monitoring Evaluation Specialist provide training and guidance to PMU on their duties and responsibilities under the PPMS;
- (vi) With the Project Performance Monitoring Evaluation Specialist prepare annual PPME reports for submission; and
- (vii) Assist in compiling the project completion report information.

## 3. **NK-B3 Information, Education and Communication Expert**

38. The national Information, Education and Communication expert will work with the national Information, Education and Communication Specialist to provide a climate change resilience communication program. She/he will have a relevant bachelor's degree in social science or related discipline, with at least five (5) years of experience in communication. She/he should be diligent and have demonstrated good organizational skills. Specifically, the information, Education and Communication expert will:

- (i) Support the International Education, Information, Communication Specialist to develop a communication strategy and action plan with the relevant government agencies and other counterparts that fully incorporates water usage, sanitation and hygiene, climate change resilience and gender mainstreaming;
- (ii) Work with the International Education, Information, Communication Specialist to develop and trial an awareness campaigns for water usage, sanitation and hygiene, gender mainstreaming activities, and around the potential impacts of climate change.
- (iii) Once the campaigns are finalized implement the campaigns in the three project cities with the counterpart agencies. Coordination of campaign implementation

- with relevant specialists and national experts in the areas of environment, resettlement and indigenous people, and gender and social;
- (iv) Work with the International Education, Information, Communication Specialist to prepare knowledge management products (lessons learned document, websites, etc).
- (v) Support the International Education, Information, Communication Specialist as required.

#### 4. **NK-B4 Construction Supervisors (six)**

39. The national Construction Supervisors will be engaged to supervise the construction activities in the three project cities. They will work in the project cities on a full time basis during the construction period. The Supervisors will be engineers with a Bachelor's degree or equivalent in engineering or technicians in a related field with at least five (5) years construction supervision experience on major construction projects, preferably in water supply and sanitation fields. Their specific tasks are as follows:

- (i) Monitor, observe, record and report on day-to-day construction activities;
- (ii) Supervise, inspect, measure, and control the quality of the construction works and the installation of equipment to ensure compliance with contract drawings and specifications, and make recommendations to the Construction Engineers on the issuance of contract notices, and payment certificates;
- (iii) Assist the Senior Supervision Manager Specialist and Construction Engineers to: (a) administer the construction and procurement contracts; and (b) commission and evaluate the performance of completed facilities and new equipment;
- (iv) Monitor compliance of implementation of and reporting on CEMPs;
- (v) Coordinate with PMU on general implementation and liaise with local authorities on construction activities;
- (vi) Assist in solving any complaints raised by APs;
- (vii) Assist the Construction Engineers with progress reports and PPMS reports; and
- (viii) Monitor compliance of implementation of and reporting on health and safety.

### **VIII. OTHER NON-KEY EXPERTISE**

40. In addition to the mandatory key and non-key experts, other non-key experts may be required to ensure all aspects of the work can be undertaken and all deliverables and reports prepared.

41. The person-months for other non-key experts indicated in Table 16 is included for budgeting purposes. The PSC is free to propose the nature and number of other non-key experts and person-months for each non-key expert, as required, in line with the proposed work plan and schedule. Other non-key experts include any additional expertise in areas that are relevant to this assignment, including specialized technical expertise related to the civil works or to any other aspects of the terms of reference, as deemed appropriate by the proposing firm.

### **IX. REPORTING REQUIREMENTS AND DELIVERABLES**

42. The PSC shall submit to the PMU the following deliverables, which shall be prepared in the English language.

<b>Deliverable</b>	<b>Expected Submission Date</b>
Inception report	6 weeks from mobilization

Monthly management reports/progress briefs	Within one week of the end of each month
Quarterly progress reports incorporating CMPs and GAP updates	Within two weeks of the end of each quarter
Semi-annual safeguards monitoring reports (separate Environmental and Social safeguards monitoring report for reporting period)	Within one month of the end of the reporting period
Project completion report	Within three months of physical completion of the Project.

43. All reports shall be carried out in full consultation with the PMU and other relevant parties and stakeholders.



## **TERMS OF REFERENCE FOR EXTERNAL FINANCIAL AUDITOR (SAMPLE)**

### **A. Audit of Project Financial Statements**

1. An External Financial Auditor will be engaged to carry out an audit of the financial position of the project and of the funds received and expenditure for the accounting period ended, as reported by the project financial statement, and express a professional opinion on the financial position of [ ] project at the end of each fiscal year, as well as an opinion on the Statement of Expenditures.
2. The project accounts provide the basis for preparation of the project financial statement and are established to reflect the financial transactions in respect of the project.

### **B. Scope of Services**

3. The audit will be carried out in accordance with International Standards of Auditing, and will include such tests and controls as the auditor considers necessary under the circumstances in conducting the audit, special attention should be paid to the following:
  - (a) All external funds have been used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency and only for the purposes for which the financing was provided;
  - (b) Counterpart funds have been provided and used in accordance with the relevant financing agreements with due attention to economy and efficiency, and only for the purposes for which they were provided;
  - (c) Goods and services financed have been procured in accordance with the relevant financing arrangements;
  - (d) All necessary supporting documents, records and accounts have been kept in respect of all project ventures (including expenditures reported via SOEs or IAs). Clear linkages should exist between the books of account and reports presented to the Bank;
  - (e) Where the project advance account, PMU account have been used, it has been maintained in accordance with the provisions of the relevant financing agreements; and
  - (f) The project account have been prepared in accordance with consistently applied International Accounting Standards and give a true and fair view of the financial situation of the project and of resources and expenditures for the year-end on that date.
4. *Project financial statements.* The project financial statements should include:
  - (a) Summary of funds received, showing the ADB, project funds from other donors, and counterpart funds separately;
  - (b) Summary of Expenditures shown under the main project headings and by main categories of expenditures, both for the current fiscal year and accumulated to date; and
  - (c) Balance Sheet showing accumulated funds of the project, bank balances, other assets of the project and liabilities, if any.

5. As an Appendix to the project financial statements, the auditor should prepare a reconciliation between the amounts shown as “received by the project from the ADB” and that shown as being disbursed by the Bank. As part of the reconciliation, the auditor should indicate the mechanism for the disbursement, i.e. project advance account, Statements of Expenditures, or direct reimbursement.

6. *Statement of expenditures.* In addition to the audit of the PFS, the auditor is required to audit all SOEs used as the basis for the submission of withdrawal applications. The auditor should apply such tests and controls as the auditor considers necessary under the circumstances. These expenditures should be carefully compared for project eligibility with the relevant financing agreements. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed against, these should be separately noted by the auditor. Appendix to the project financial statements should be a schedule listing individual SOE withdrawal applications by specific reference number and amount. The total withdrawals under the SOE procedure should be part of the overall reconciliation of Bank disbursements described above.

7. *Advance Accounts.* In conjunction with the audit of the project financial statements, the auditor is also required to audit the activities of the project advance account associated with the project. The advance accounts usually comprise:

- (a) Deposits and replenishments received from the Bank;
- (b) Payments substantiated by withdrawal applications;
- (c) Interest that may be earned from the balances and which belong to the borrower; and
- (d) The remaining balances at the end of each fiscal year.

8. The auditor must an opinion as to the degree of compliance with the ADB’s procedure and the balance of the advance account at year-end. The audit should examine the eligibility and correctness of financial transactions during the period under review and fund balances at the end of such a period, the operation and use of the advance account in accordance with the financing agreement and the adequacy of internal controls for this type of disbursement mechanism.

9. Project advance account statements and the auditor’s report should be attached with the project financial statements.

10. *Audit Opinion.* The annual audit report of the project accounts should include a separate paragraph commenting on the accuracy and propriety of expenditures withdrawn under SOE procedures and the extents to which the Bank can rely on SOEs as a basis for loan disbursements.

11. In addition to the audit reports, the auditor will prepare a management letter in which the auditor will:

- (a) Give comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- (b) Identify specific deficiencies and areas of weaknesses in systems and controls and make recommendation for their improvement;
- (c) Report on the degree of compliance of each of the financial covenants on the financing agreement and give comments, if any, on internal and external matters affecting such compliance;

- (d) Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project; and
- (e) Bring to the borrower's attention any other matters that the auditor considers pertinent.

### C. Audit of the Bee Timor-Leste

12. An External Financial Auditor will be engaged to carry out an audit of the financial statements of Bee Timor-Leste (state-owned water utility). Financial audits must comply with the requirements of the Asian Development Bank, which can be found at <https://www.adb.org/sites/default/files/page/82468/afs-standard-checklist.pdf>.

13. The role of the auditor will be to:

- (f) Express an independent opinion on the financial reports of the project for the relevant financial years, in accordance with the adopted accounting standards as described in the financial statements;
- (g) Assess the compliance with laws, regulations and funding agreements that have a direct and material financial effect on the project's financial reports;
- (h) Express an opinion on management's assertions that they complied with laws, regulations and provisions of contracts and grant agreements and that they maintained an effective internal control framework over the program.

14. *Scope of Services.* The auditor will prepare an audit report with certified statements for the relevant years. The audit should be carried out in accordance with Timor-Leste and generally accepted standards on auditing. In complying with the audit standards, the auditor is expected to pay particular attention to the following matters:

- (a) **Fraud and Corruption:** Consider the risks of material misstatements in the financial statements due to fraud. The auditor is required to identify and assess these risks (of material misstatement of the financial statements) due to fraud, obtain sufficient appropriate audit evidence about the assessed risks; and respond appropriately to identified or suspected fraud;
- (b) **Laws and Regulations:** In designing and performing audit procedures, evaluating and reporting the results, consider that noncompliance by the enterprise with laws and regulations may materially affect the financial statements;
- (c) **Governance:** Communicate audit matters of governance interest arising from the audit of financial statements with those charged with governance of an entity as required, and
- (d) **Risks:** In order to reduce audit risk to an acceptable low level, determine the overall responses to assessed risks at the financial statement level, and design and perform further audit procedures to respond to assessed risks at the assertion level.

15. The audit report, which shall be in Tetum and English languages, should clearly indicate the auditor's opinion. This would include at least the following:

- (a) An opening or introductory paragraph containing identification of the financial statements audited including the period covered;

- (b) Statement of responsibility of the enterprise management and referencing the accounting standards that were applied by the enterprise and indicate the effect of any deviations from those standards;
- (c) Statement of responsibility of the auditor including a scope and methodology paragraph describing the nature of the audit, the audit standards that were applied and the work the auditor performed;
- (d) An opinion paragraph disclosing whether the financial statements and supporting schedules fairly present the financial condition and performance of the enterprise in all material respects for the audit period covered; and
- (e) An opinion paragraph disclosing whether the financial covenants of the loan agreement are compliant

16. The auditor shall also prepare a letter to the management, which shall be in Tetum and English languages, at the completion of the audit. The management letters should include:

- (a) Comments and observations on the accounting records, systems and controls that were examined during the course of the audit;
- (b) Identification of specific deficiencies or areas of weakness in systems and controls, and make recommendations to improve the systems or eliminate the internal control weaknesses noted;
- (c) Comments on previous audits' recommendations that have not been satisfactorily implemented; and
- (d) Management comments/response to audit findings and recommendations.

#### **D. Auditor Experience**

17. The auditor shall be impartial and independent from all aspects of management or financial interests in the enterprise being audited. The auditor should not, during the period covered by the audit nor during the undertaking of the audit, be employed by, serve as director for, or have any financial or close business relationships with any management officer or director of the enterprise. The auditor should disclose any relationship that might possibly compromise his independence.

18. The auditor should be experienced in applying Timor-Leste and generally accepted audit, accounting and financial reporting standards. The auditor must employ adequate staff with appropriate professional qualifications and suitable experience in Timor-Leste and generally accepted audit, accounting and financial reporting standards.

19. The Auditor Firm should be registered and have a practicing license from a reputable Institute of Certified Public Accountants. The audit firm should have at least two full time partners, not less than 10 employees and have been in existence for not less than five (5) years. The Key Team will comprise of at least:

- (a) Engagement Partner with over 10 years audit experience
- (b) An Audit Manager with over 5 years of audit experience;
- (c) An Audit Team Leader with at least 3 years audit experience; and
- (d) Sufficient Assistant Auditors with adequate experience & professional qualifications.

20. Curriculum vitae (CVs) should be provided to the enterprise by the principal of the audit firm who would be responsible for signing the opinion, together with the CVs of managers,

supervisors and key personnel proposed as part of the audit team. CVs should include details on audits carried out by the applicable staff, including ongoing assignments indicating capability and capacity to undertake the audit and experience in auditing financial statements compliant with Timor-Leste and generally accepted accounting and financial reporting standards.

## TERMS OF REFERENCE FOR PROJECT ACCOUNTANCY SERVICES

1. Project accountancy services will be required to support the Project Management Unit over the project duration (from 2021 to 2028). Individual consultants will be engaged, and the roles and responsibilities are outlined as follows.

2. Project Accounting Specialist (International; 21 person-months; intermittent). The Project Accounting Expert will advise and assist PMU on overall accounting functions and activities for the project. The Project Accounting Specialist must have a Bachelor's degree or equivalent in accounting with extensive experience (minimum 10 years) accounting systems on similar projects in Timor-Leste. The specialist must have good working knowledge of English and experience with any donor-funded project will be a distinct advantage. The specialist will report to the Team Leader. S/he will perform the following tasks:

- (g) Review the project accounting system, chart of accounts and software if any from the current District Capitals Water Supply Project and make adjustments, if necessary, to ensure an effective and efficient project accounting, monitoring and reporting system to the project executing and implementing agency managers, government agencies and ADB;
- (h) Provide advise and assist PMU to:
  - (i) Ensure that financial transactions are, in all cases, recorded in project accounts accurately and on a timely basis and in accordance with ADB and Government requirements and agreed financial policies and procedures for the Project;
  - (ii) Ensure that project expenditures on contract payments are made in accordance with the terms and conditions of the respective contracts and are adequately certified by duly authorized officials in relation to works completed and/or goods or services provided;
  - (iii) Ensure that adequate internal control is established and maintained in terms of separation of responsibilities for processing and authorizing payments and in the management and accounting for project expenditures and assets;
  - (iv) Ensure that all financial records are retained for audit purposes and for review by ADB and Government until at least one year following Project completion;
  - (v) Ensure that Project financial transactions are recorded in the accounts in accordance with the Government of Timor-Leste regulations and ADB requirements and that records are reconciled periodically, at least on a monthly basis;
  - (vi) Ensure that the project advance account that will be established for the project in local commercial banks are administered in accordance with ADB requirements;
  - (vii) Ensure that withdrawal requests for reimbursements from ADB are prepared and submitted to the Government and on a timely basis and in accordance with ADB procedures to replenish the project advance account. Ensure that Statements of Expenditures (SOEs) supporting withdrawal requests accurately reflect qualifying project expenditures and that underlying documents that verify these expenditures are retained and available for review as required;
  - (viii) Periodically but at least quarterly, reconcile project records with ADB records relating to disbursements from ADB's loan for all project

- components. Project records and bank statements should be reconciled more frequently, at least monthly;
- (ix) Ensure timely preparation and distribution of integrated quarterly financial management and project management reports and annual project financial reports and statements required by ADB, under the provisions of the Loan Agreement, as well as by the Government of Timor-Leste. Provide any special financial reports that may be required from time to time on specific aspects of project's financial progress or position as may be requested by ADB and/or Government;
  - (x) Ensure that annual project budgets are consistent with agreed program activity levels and expenditures and that budgetary allocations for the project are available to meet projected cash flow requirements for contract payments, pending reimbursement by ADB and for administrative expenditures of PMU;
  - (xi) Ensure that project assets and inventories are safeguarded and revalued and verified periodically in accordance with the requirements of ADB and Government of Timor-Leste and to support annual project financial audits; and
  - (xii) Liaise effectively with auditors to ensure effective annual audits in accordance with ADB's requirements.
  - (xiii) Conduct training on project accounting to accounting staff in the PMU on-the-job and through classroom presentations; and
  - (xiv) Prepare progress reports for inclusion in the team progress reports to be prepared by the Team Leader.

3. Project Accounting Clerk (national, 84 person-month). The Project Accounting Clerk will assist the Project Accountant Specialist in maintaining an effective accounting system for the project. Project Accounting Clerk must have an education in accounting and previous experience in using accounting software, be proficient in the use of MS Office programs and have a good working knowledge of English. Experience with any donor-funded project will be a distinct advantage. The Project Accounting Clerk will be required to support the Project Accountant Specialist and carry out the following tasks:

- (a) Processing payments
  - (i) Process claims for payment from contractors, suppliers and consultants;
  - (ii) Review claims for payment for accuracy and completeness of required supporting documents and compliance with the terms and conditions of their respective contracts;
  - (iii) Prepare vouchers and checks for payment;
  - (iv) Submit vouchers, checks for payment and supporting documents to Project Accountant Specialist for review and to authorize check signatories and approval of payment;
  - (v) Release payments to contractors, suppliers and consultants;
  - (vi) File physical records of payments and supporting documents and makes them available for review and audit as required; and
  - (vii) Maintain PMU account physical records.
- (b) Management of records
  - (i) Post receipts of funds by funding source using the accounting software;
  - (ii) Post payments to contractors, suppliers and consultants into their respective components and cost categories using the accounting software;

- (iii) Prepare withdrawal requests for reimbursements from ADB including Statement of Expenditures (SOEs) supporting withdrawal requests and submits them to the PMU for review and submission to MOF;
- (iv) Reconcile project records and bank statements monthly;
- (v) Prepare periodic and special financial reports and statements required by the ADB and the Government of Timor-Leste; and
- (vi) Other tasks that may be assigned to him by the Project Accountant Specialist from time to time.



### **TERMS OF REFERENCE FOR CHIEF TECHNICAL ADVISOR**

44. The national Chief Technical Advisor (CTA) will supervise, and review guidance and support provided to the Project Management Unit (PMU) by the Project Supervision Consultants (PSC) on the overall project management and supervision. S/he will have at least a Bachelor's degree or equivalent in civil/environmental engineering with at least fifteen (15) years of experience on water supply and sanitation engineering projects. Duties of the Chief Technical Advisor will include the following:

- (i) Work with the PMU to oversee and monitor all aspects of project implementation by the PSC, including: (a) overall project planning, scheduling, management and coordination; (b) bidding, evaluation and contract award; (c) contract management and construction supervision; (d) project forecasting and monitoring; (e) safeguard compliance; (f) progress reporting;
- (ii) Work with the PMU to oversee and monitor the implementation of the O&M services and training program.
- (iii) Monitor and review PSC guidance provided to PMU on:
  - a. Administrative procedures, project accounts, procurement, report preparation, project performance monitoring and evaluation, and ADB procedures.
  - b. Conducting initial project orientation and information meetings with key stakeholders at central, municipal and village levels, and ensure clear understanding by the stakeholders of the objectives, scope, organization and work plan of the Project, and their roles and responsibilities.
  - c. Preparing for and conducting workshops and meetings with municipal administrations in the three project cities.
  - d. Helping municipal administrations to adopt sanitation regulations.
  - e. Facilitating the adoption of free connections policy.
  - f. Preparing operational budgets, disbursement projections, and withdrawal applications, and provide ongoing support for project accounting and reporting systems.
  - g. Preparation of progress reports, project completion report and PPMS reports.
  - h. Defining capacity development activities as part of the Institutional Development Roadmap.
  - i. Building capacity in regulatory environment and operation and maintenance.
  - j. Preparation, monitoring, and updating as necessary project implementation schedules.
  - k. All procurement matters.
  - l. All contract management matters, including preparation and monitoring of Contract Management Plan (CMP) and site-specific Health and Safety Management Plan (SSHSM).
  - m. Overseeing, supervising, inspecting, measuring, and controlling the quality of the construction works and the installation of equipment to ensure compliance with contract drawings and specifications.
  - n. The issuance of the certificates of completion.
  - o. Administering the construction and procurement contracts.
  - p. Commission and evaluating the performance of completed facilities and new equipment.
  - q. Reviewing and validating any proposed design modification.
  - r. Verify the completion documentation such as as-built drawings, O&M manuals etc is accurate and functionally correct.

- s. Carrying out monitoring of progress against design and monitoring framework (DMF) and GAP, including supporting the PMU to conduct any surveys necessary to obtain information required for reporting of project performance.
- t. Overseeing project safeguards compliance
- (iv) Participating in loan reviews and midterm review.
- (v) Review documents on behalf of the PMU Director to be submitted to ADB to ensure they meet ADB requirements: and
- (vi) Contribute to all necessary reporting.

**TERMS OF REFERENCE FOR INFORMATION TECHNOLOGY SUPPORT**

1. The project will require information technology support across a wide range of activities, for which a service contract will be required. Support services will be required over the project duration (from 2022 to 2028). Information technology support will be required as follows:

- (a) Develop a suitable network and IT system to support the offices of the project management unit and Project Supervision Consultants;
- (b) Specify and arrange for all procurement associated with the network and IT systems;
- (c) Supervise the installation of any equipment and software systems to support the network and IT systems;
- (d) Provide routine and as required maintenance of the network and IT systems;
- (e) Develop and set up a website for the project;
- (f) Provide routine and as required maintenance of the webpage;
- (g) Respond within 24 hours to any urgent problem or failure of the network and IT systems; and
- (h) Provide technical support to PMU office as required.

**Appendix H: SEMR Monitoring Report Template**

## Semi-Annual Environmental Monitoring Report

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**COUNTRY** [complete]

**Ministry of** [complete]

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**[Project Number/Name]**

**Reporting Period:** *[date covered by this report]*

**Date:** *[date of issue of this report]*

**SEMR Report Number:** *[1, 2 or 3 ... – depending on how many SEMRs issued before]*

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### Notes on this template:

[Advice: text in red] - this gives the PMU help on what information to add into the sections of the report. **Delete** the red text when the report is complete.

[text in yellow] - delete this text and add the relevant answer. **Delete** the text in yellow when the answers are completed.



## I. ENVIRONMENTAL SAFEGUARDS SUMMARY

**[Advice: Complete this summary under each heading. This summary can be copied directly into the main report to support with the Main Report preparation]**

1. The [1st,2nd, 3rd etc] Semi-annual Environment Monitoring Report (SEMR) covers the period of [start month – end month and year] for [Project Name]. The SEMR has been prepared to fulfil the safeguard policy requirement of ADB.
2. The SEMR is prepared by [name of organization and function e.g. External Monitoring Consultant or Support Consultant] and checked by [PMU or Ministry].

### A. Summary of Project Progress

**[Advice: Complete the summary table below. Section 2 gives more detail Project Progress]**

3. The following table gives a brief summary of the project progress for contract award, construction and key activities in this reporting period:

Table 18 Project Progress Summary

Safeguards Category	Environment	B	
Reporting Period:	[Months/ Year]	Date Last Report Issued:	[Month/ Year]
<b>Contracts Awarded to Date:</b>	<p>[Advice: For each Civil Works Contract to be awarded, give progress to date]</p> <p>CW1 [contractor name, award date, subproject]</p> <p>CW2 [contractor name, award date, subproject]</p>		
<b>Construction Progress to Date:</b>	<p>[Advice: For each Civil Works Contract to be awarded, at END of Reporting Period]</p> <p>As of [Month/Year of this reporting period] the physical construction progress is as follows:</p> <p>CW1 [x %] construction completed</p> <p>CW2 [x %] construction completed</p>		
<b>Key Subproject Activities in this Reporting Period:</b>	<p>[Advice: For each Civil Works (CW) Contract, write the key activities that have taken place on construction sites during the 6 months covered in this report]</p> <p>Construction Activities</p> <p>CW1 [e.g. ground clearance and preparation, excavation of site]</p> <p>CW2 [e.g. ground clearance and preparation, excavation of site]</p> <p>[Advice: Include any consents or permissions in this section such as UXO clearance, EIA Approval, Waste disposal permission – include any issued during the 6 months covered in this report]</p> <p>Permits or Consents Issued: Permit / Consent for [activity] issued by [Authority] on [date]</p>		

**B. Summary of EMP Implementation**

[Advice: This section gives a high level summary of how the progress on implementing the EMP and the mitigation measures is progressing, in this reporting period. Consider any main issues – the detail will be in the EMP Implementation section of the main report]

4. EMP implementation is summarized in the following points, for this reporting period:

- [mitigation measures in use]
- [overall progress and performance of contractors]
- [other issues affecting project environmental performance?]

**C. Summary of EMP Monitoring**

[Advice: This section gives a high level summary of how the EMP has been monitored in this reporting period. This includes site visits by PMU, Construction Supervision Contractor, Independent Monitoring Organization. The EMP will say who should be monitoring and when. Detail will be in the EMP Monitoring section of the main report]

5. EMP monitoring is summarized in the following points, for this reporting period:

- Number of Monitoring Visits to Construction Site and wider area:
  - [Number of] visits by PMU
  - [Number of] visits by [others e.g. Independent Monitoring Organization, MoE, CSC]
- Number of Environmental Samples Tested:
  - [Number of] water quality samples tested
  - [Number of] air quality samples tested
  - [Number of] water quality samples tested

**D. Summary of Complaints, Issues and Corrective Action**

[Advice: This section informs the Project and ADB of any potential problems that have been addressed or need to be addressed. It can include formal complaints through project Grievance Redress Mechanism. This is main issues only – the detail will be in the Corrective Actions/GRM part of the main report]

6. Any complaints, issues and corrective action that has been identified or implement is summarized in the following points, for this reporting period:

- Issues Raised: [issues on construction sites e.g. dust, noise, traffic]
- Grievances Raised with GRM: [Number of] grievances
- Corrective Action issued by project to Contractor:
  - [problem that needed corrective action]
  - problem that needed corrective action]

## II. SAFEGUARDS STAFF, TRAINING AND DOCUMENTATION

### A. Implementation Arrangements

**[Advice:** This section confirms if all roles have staff allocated, or if there are more people to recruit. It confirms if there are resources available for the project for Environmental Safeguards. If resources are not available e.g. cannot find the skills, or people have no time, say so here]

7. The EMP defines the Environmental Safeguards roles and responsibilities. The roles are required to be filled in order to meet the EMP requirements. The following table gives the status of the key roles for EMP implementation:

Table 19. Status of Environmental Safeguard Roles

Safeguards Role	Status & Comment			
[see EMP for list of roles required e.g. Project Consultant Environmental Specialist]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		
[e.g. PMU- Environmental Control Officer (ECO)]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		
[e.g. PMU Environmental And Social Safeguards Staff ]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		
[e.g. PMU GRM Focal Point ]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		
[e.g. CSC]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		
[e.g. Environmental Monitoring Consultant (EMC)]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		

Safeguards Role	Status & Comment			
[e.g. Contractor Environment Health & safety Staff]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		
[others? E.g Contractor GRM Person]	Date Started:	[date]	Full Time/ Part Time	[FT/PT]
	Comment	[Person Identified? Problems identifying person? No time available?]		

8. The project concludes that the environmental safeguards roles are [conclusion – enough people? Enough budget for staff? Other conclusion or comment?]

### B. Training & Capacity Building

[see EMP for list of training required]

9. The following table gives the environmental safeguards training courses that have been completed during this reporting period and the planned training courses for the next six months:

Table 20. Environmental Safeguards Training Provided and Planned

Training Course Title	Training Date	Participants	Training Provider
[E.g CEMP /EMP preparation]	[date – completed or future]	[e.g. No. of PMU, Contractors]	[e.g. Support consultants, MoE, Independent trainer]

### C. ADB Clearances

**[Advice:** This section updates ADB with the current progress on the EMP and IEE for the project. Ensure the up to date documents are available and it is clear which is the latest version of each document]

10. The following table gives information on the status of the safeguards documents.

Table 21. Status of Environmental Safeguard Documents

Safeguards Documents	Update Issued (Latest Version)	Submitted to MoE	Submitted to ADB
----------------------	-----------------------------------	------------------	------------------

[e.g. IEE]	[date]	[date or Not Applicable]	[date]
[e.g. EMP subproject 1]	[date]	[date or Not Applicable]	[date]
[e.g. EMP Subproject 2]	[date]	[date or Not Applicable]	[date]
[e.g. EMP Subproject 3]	[date]	[date or Not Applicable]	[date]

#### D. National Approvals

**[Advice:** This section updates ADB with the current progress on any national approvals and/or certifications needed such as final Environmental Impact Assessment (EIA), IEIA, ECC, Environmental Protections Contract, etc. (varies from country to country) or EMP approvals from the relevant Ministry. If there is no change between this reporting period and the last, the table in the previous report can be used here]

11. The following table gives an update on the necessary national approvals required for the project to proceed.

Table 22. Status of National Approvals for Environmental Documents

Documents	Submitted to MoE	Approved By MoE:	Status – if not approved	Comment
[e.g. EIA]	[date or Not Applicable]	[date]	[e.g. on going, expected July 2020]	[add any further comment/ suggestion here]
[e.g. EMP subproject 1]	[date or Not Applicable]	[date]	[e.g. on going, expected July 2020]	
[e.g. EMP Subproject 2]	[date or Not Applicable]	[date]	[e.g. on going, expected July 2020]	
[e.g. EMP Subproject 3]	[date or Not Applicable]	[date]	[e.g. on going, expected July 2020]	

#### E. Construction Environmental Management Plan (CEMP) Approvals

**[Advice:** This section updates ADB on whether the contractor's have submitted the CEMP for each civil works package, and if the quality of the CEMP is suitable. ADB would also need assurance that the CEMPs have updated health and safety plans in line with national legislation and any WHO best practices to ensure the necessary COVID-19 mitigation and safety measures are in place to ensure workers health and safety.]

12. The following table confirms the status of the Construction Environmental Management Plan (CEMP) for each CW package:

Table 23. Status of CEMP Approvals

Civil Works Package/ Subproject	CEMP Given to PMU	Approved By PMU:	Comment:
[e.g. CW01 Wastewater]	[date]	[Yes & Date or No]	[E.g. quality of CEMP? Good quality? Easy to monitor, generally complies with ADB?]
[e.g. CW02 Landfill]	[date]	[Yes & Date or No]	
[e.g. CW03 Drainage]	[date]	[Yes & Date or No]	

### III. EMP IMPLEMENTATION

#### A. Environmental Performance

**[Advice:** This is the most important table showing if the Safeguard requirements are being followed. This section is summarized for Section 1: Summary. The summary will be included in the main 6 monthly report for the entire project. Use all the monthly reports from PMU, GRM, Contractor, construction supervision consultant etc. to complete this table. ]

13. The following table gives the environmental impact mitigation measures in the Borrower (Project) EMP and the corresponding CEMP and how the project is progressing with implementing the mitigation measures, for each subproject.

14. The evidence for the compliance is through a combination of:

- Site visits to observe site practices;
- Consultation with affected people;
- Regular environmental reporting from [CSC, Contractor, others, according to EMP requirements].

**[Advice:** This table needs to be repeated for each subproject. Each subproject can EMP has different Mitigation Measures & progress to report on. **Health & safety** Mitigation measures are reported separately]

Table 24. Status of EMP Compliance [subproject]

	EMP Requirement (Mitigation Measure)	Compliance & Description (Yes, No, Partial)	Comment or Further Explanation if Needed	Reasons for Not Full Compliance
1	Example 1. Worker Camp Sanitation	Yes	Camp includes septic tank which is installed	-

2	Example 2. Noise and Dust Management	Partial	Contractor given corrective action issued 21-07-19: -Spray 3x daily -Start work 7am	-Water is not sprayed 2x daily; -Working outside allowed hours, starting at 6:30am
1	[mitigation measure]	[Yes/No/Partial]	[comment on evidence of compliance if needed – any additional information]	[give reason/evidence for noncompliance]
2				
3				
4				
5				
6	[continue]			

15. For all 'Partial' or 'No' compliance issues in the table above, the actions needed to solve the compliance issues are in the table below:

**[Advice:** For any Partial or Not Compliance issues in the table above, the table below shows ADB what actions will be taken to ensure compliance]

Table 25. EMP– Actions Needed for Compliance [subproject]

	EMP Requirement	Further Action to Take	Date for Action	Who will Implement Action
02	Noise and dust management	Contractor should not start work before 7am Contractor should spray water minimum 3x daily	End of Sep. 2020	Contractor
	[requirement from table above for non-compliant issues]	[action needed to make issue compliant]	[deadline for action]	[who implements action]

	EMP Requirement	Further Action to Take	Date for Action	Who will Implement Action

16. The following table gives information on environmental performance issues from previous Environmental Monitoring Reports. This table confirms that the action was completed or that the action is outstanding.

[Advice: This table shows the result/outcome of Actions needed to be taken in the previous report (this means follow up Table 8, above, of previous EMR)]

Table 26. EMP Compliance Outstanding Issues from Previous Report(s) [subproject]

EMP Requirement	Further Action to Take	Responsibility and Timing	Resolution	Required Action
Example 1. Water pollution from sediment	Change construction drainage	Contractor – by 2 April 2020	Completed – Action was taken and confirmed by PIU visit 4 <sup>th</sup> April 2020	None
[complete for each issue]				

## B. Health and Safety Performance

[Advice: This reports on any health and safety requirements for the project that the contractor needs to fulfil. This can be combined for all subprojects with similar H&S requirements. Due to the COVID-19 reporting on specific measures that are in place in line with national legislation and requirements for the pandemic need to be included. ADB would also need assurance that the CEMPs have updated health and safety plans in line with national legislation and any WHO best practices to ensure the necessary COVID-19 mitigation and safety measures are in place.]

17. The following table gives the health and safety impact mitigation measures in the Borrower EMP and how the project is progressing with implementing the mitigation measures, for all subprojects.

Table 27. Status of Health and Safety Compliance - ALL subprojects

	Health and Safety Requirement	Compliance & Description (Yes, No, Partial)	Comment or Further Explanation if Needed	Reasons for Not Full Compliance
1	Example 1. Workers Need to wear protective clothing	Partial	Subproject: Landfill	- Re-issue safety clothing to those without



			Workers are not all wearing hard hats and high visibility Workers seen without safety boots	-Training on staff to remind them to wear it 18 <sup>th</sup> August 2020
2	Example 2. First Aid kit needed on site	Yes	<b>Subproject: All</b> First Aid Kit available in site offices	None
	[complete for each issue]			

18. For all 'Partial' or 'No' compliance issues in the table above, the actions needed to solve the compliance issues are in the table below:

**[Advice: For any Partial or Not Compliance issues in the table above, the table below shows ADB what actions will be taken to ensure compliance]**

Table 28. Status of Health and Safety Actions Needed for Compliance - ALL subprojects

	Health and Safety Requirement	Further Action to Take	Date for Action	Who will Implement Action
1	Example 1. Workers Need to wear protective clothing	All workers to be given and wear safety clothing	25 <sup>th</sup> August 2020	Contractor
	[complete for each issue]			

19. The following table follows up on Health and Safety performance issues from previous Environmental Monitoring Reports for this subproject. This table confirms that the action was completed or that the action is outstanding.

**[Advice: This table shows the result/outcome of Actions needed to be taken in the previous report (this means follow up Table 11, above, of previous EMR)]**

Table 29. EMP Compliance Outstanding Issues from Previous Report(s) – ALL subprojects

Issue	Required Action	Responsibility and Timing	Resolution	Required Action
Example 1. Water pollution from sediment	Change construction drainage	Contractor – by 2 September 2020	Completed – Action was taken and confirmed by PIU visit 4 <sup>th</sup> April 2020	None

#### IV. EMP MONITORING

[Advice: This section should show the progress made against the monitoring that is required in the EMP for each subproject. This is a combination of environmental quality monitoring (e.g. taking samples or water, noise measurements) and monitoring the EMP performance by consulting affected people.]

##### A. Environmental Quality Monitoring

20. Environmental quality monitoring requirements are defined in the Monitoring Plan section of the EMP. The following table gives a summary of the environmental quality monitoring requirements for each subproject

Table 30. EMP Environmental Quality Monitoring Requirements

Subproject	Environmental Issue Monitored	Location	Parameters	Responsible Organization	Frequency
[use EMP to complete this table e.g Subproject 1 ]	[noise ]	[primary school ]	[DbA ]	[Contractor ]	[every 3 months ]
[Subproject 1 ]	[water ]	[stream ]	[chemicals/temp ]	[Contractor ]	[every 3 months ]
[Subproject 2 ]	[noise ]	[hospital ]	[DbA ]	[Contractor ]	[every 3 months ]

21. The following table gives information on the environmental quality monitoring implemented, during this reporting period. Detailed results compared to relevant national / international standards are in **Error! Reference source not found..**

Table 31. EMP Environmental Quality Monitoring implemented

Subproject	Environmental Issue Monitored	Location	Monitoring Date
[Subproject 1 ]	[Noise ]		
[Subproject 1 ]	[Surface Water Quality ]		
[Subproject 1 ]	[Groundwater Quality ]		

22. **Summary of Results – Noise.** [one paragraph summary on the results – e.g. do they meet national standards, international standards? Does it show a good quality or poor quality environment?].
23. **Summary of Results – Surface Water quality.** [one paragraph summary on the results – e.g. do they meet national standards, international standards? Does it show a good quality or poor quality environment?].
24. **Summary of Results – Groundwater quality.** [one paragraph summary on the results – e.g. do they meet national standards, international standards? Does it show a good quality or poor quality environment?].
25. **Summary of Results – Air quality.** [one paragraph summary on the results – e.g. do they meet national standards, international standards? Does it show a good quality or poor quality environment?].

#### B. Construction Phase Affected People Consultation

[Advice: Complete the table below with the consultations undertaken during construction site monitoring. This is usually undertaken by project staff e.g. PMU]

26. During the construction phase, the following table gives information on the consultations that were undertaken in order to understand the impact of the project on Affected People and how effective the EMP Mitigation measures are for residents, businesses and other affected people around the construction sites.

Table 32. Construction Phase Affected People Consultation

Subproject	Consultation Date	Person Consulted / Location	Outcome / Issues	Corrective Action Needed	Action Implemented by (person/date)
[Subproject 1 ]	[date ]	[e.g. group of 5 residents, outside commune office ]	[Issues raised or General comment from person on project]	[Describe how this issue will be solved ]	[e.g Contractor, by June 14 2020]

## V. COMPLAINTS, ISSUES, CORRECTIVE ACTION

### A. Information Disclosure

**[Advice:** In this section, provide information on any public meetings, dissemination of information that has taken place to give information to the public. Some of this will take place in the 'before construction' phase, when the project is being prepared. For the FIRST SEMR, include information on pre-construction disclosure activities such as GRM dissemination.]

27. The following table gives information on any information disclosure activities undertaken;:

Table 33. Information Disclosure

Topic / Reason for Information	Disclosure Date	Method of Disclosure	Outcome / Results
[e.g. new project schedule, update on GRM, change to construction plans]	[date ]	[e.g. information board, meeting, leaflet ]	[Issues raised or outcome of meeting]

### B. Grievance Redress Mechanism

**[Advice:** In this section include any complaints made through the GRM INCLUDING those made during any consultation with Affected People – such as issued raised in **Error! Reference source not found.** . Include any complaints made that have already been resolved e.g. resolved during time of consultation]

28. The following table gives information on complaints about the project the Project Team is aware of, during this reporting period. The table includes:

- Complaints made thorough GRM entry points
- Issues raised in consultation;
- Issues raised any other way that the project team is aware of.

29. For issues that have already been solved, this is confirmed in the final column of the table. Where possible the project tries to solve all issues as quickly as possible through informal discussions between the affected people and the contractor.

Table 34. Project Complaints or Issues

Details of Complaint / Issue Raised	Detail of Person (Date, Name, Contact Details)	Action Needed & Date	Comment / Resolved?
-------------------------------------	------------------------------------------------	----------------------	---------------------

[e.g. noise/dust, poor access to house, affected water supply]	[date , Name of Person, Phone number/village location]	[e.g. contractor to reinstate water supply by 19 <sup>th</sup> June 2020 ]	[Issue solved. Action has been taken and Affected Person is satisfied. PIU followed up.]

30. The following table gives information on all issues raised in previous SEMRs which are not yet resolved:

Table 35. Project Complaints or Issues – Not resolved from previous reports

Details of Complaint	Detail of Person (Date, Name, Contact Details)	Action Needed & Date	Reason this is still not resolved
[e.g. noise/dust, poor access to house, affected water supply]	[date , Name of Person, Phone number/village location]	[e.g. contractor to reinstate water supply by 19 <sup>th</sup> June 2020]	[explain why the problem continues.]

### C. Corrective Action

**[Advice:** In this section, provide information on any formal corrective action that had to be issued to change practices on the construction site] being

31. The following table gives information on any formal corrective action that has been issued to the contractor in order to improve environmental performance:

Table 36. Corrective Action Issued

Reason for Corrective Action	Date Issued	Outcome	Comment / Follow Up
[e.g. water supply damaged to village]	[date ]	[e.g. Contractor formally requested to repair water supply and compensate people. This was undertaken. ]	[PMU will monitor the water supply monthly]

## VI. CONCLUSION & RECOMMENDATION

**[Advice:** Summarize if the EMP is being followed and if the Environmental Safeguards are adequate. Make recommendations on what will happen to improve the project environmental performance in the next reporting period]

32. Conclusion: [on general environmental progress]

33. Recommendations: [ on next steps and actions to take to make improvements in environmental performance of the project]

## **Annex 1 Environmental Quality Monitoring Results**

[Insert Table of results and relevant national/international standard]

## **Annex 2 Photo Record – Visits, Monitoring, Consultation**

### **Photographs of Site Visits**

### **Photographs of Environmental Quality Monitoring**

### **Photographs of Consultation**



**Appendix I: Social Monitoring Report Template**

## Social Monitoring Report

---

# {Semiannual/Quarterly} Report  
{Month Year}

### TIM: Water Supply and Sanitation Investment Project

Prepared by {complete and accurate name of implementing agency or external monitoring agency} for the {complete name of the borrower} and the Asian Development Bank.

**CURRENCY EQUIVALENTS**

(as of {Day Month Year})

{The date of the currency equivalents must be within 2 months from the date on the cover.}

Currency unit	–	{currency name in lowercase (Symbol)}
{Symbol}1.00	=	\${ }
\$1.00	=	{Symbol_____}

**ABBREVIATIONS**

{AAA}	–	{spell out (capitalize only proper names)}
{BBB}	–	{spell out}
{CCC}	–	{spell out}

**{WEIGHTS AND MEASURES}**

{symbol 1 (full name 1)}	–	{Definition 1}
{symbol 2 (full name 2)}	–	{Definition 2}
{symbol 3 (full name 3)}	–	{Definition 3}

**{GLOSSARY}**

{Term 1}	–	{Definition 1}
{Term 2}	–	{Definition 2}
{Term 3}	–	{Definition 3}

**NOTE{S}**

- (i) The fiscal year (FY) of the Government of {name of borrower} {and its agencies} ends on {day month}. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2011 ends on {day month} 2011. {Note: If FYs are not referred to within the text, delete the entire note and change NOTES to NOTE.}
- (ii) In this report, "\$" refers to US dollars. {Note: If a second \$ currency is referred to in the text, e.g., NZ\$ or S\$, add: unless otherwise stated. In the text, use "\$" for US dollars and the appropriate modifier, e.g., NZ\$ or S\$, for other currencies that use the "\$" symbol.}

This **social** monitoring report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

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.

**Introduction and Project Overview**<sup>36</sup>

<b>Project Number and Title:</b>		
<b>Social Safeguards Category</b>	Indigenous Peoples	
	Involuntary Resettlement	
<b>Reporting period:</b>		
<b>Last report date:</b>		
<b>Key subproject activities since last report:</b>		

<sup>36</sup> For projects categorized as A or B in Involuntary Resettlement and/or Indigenous People, the Borrowers/clients are required to submit semiannual/quarterly monitoring reports for ADB review and disclosure. This template can be used for periodic monitoring report (semiannual) and RP/REMDP/EMDP completion report to start the civil works in the impacted areas. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (IR and IP) and with the recent status of project implementation phase. The project team can adjust the contents of the report as relevant with the project activity.

## A. Executive Summary

This section provides a concise statement of project scope and impacts, key findings and recommended actions.

## B. Background of the Report and Project Description

This section provides a general description of the project, including:

- Background/context of the monitoring report which includes the information on the project, project components, safeguards categorizations and general scope of the social safeguards impacts.
- Information on the implementation progress of the project activities, scope of monitoring report and requirements, reporting period, including frequency of submission and changes in project scope and adjusted safeguard measures, if applicable
- Summary table of identified impacts and the mitigation actions.

## C. Scope of Impacts

This section outlines the detail of

- Scale and scopes of the project's safeguards impacts,
- Vulnerability status of the affected people/communities,
- Entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final RP(s) /IPP(s).

## D. Compensation and Rehabilitation<sup>37</sup>

This section describes the process and progress of the implementation of the safeguards plan and other required activities as determined in the plan. This includes:

- Payment of the affected assets compensation, allowances, loss of incomes, etc. to the entitled persons;
- Provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan
- Provision of specific development activities as indicated in the approved IPP/REMDP.

Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided.

### 1. General Progress in Resettlement Implementation

**Table 1: General Progress in Land Clearance and Handing Over of Land for Civil Works**

Project Component/Location [District]	Total Affected Land Area (m2)	Land handed Over (m2)		Land that still has to be acquired/handed over (m2)		Remaining encumbrances [yes/no]	Remarks
		Land Handed over this	Cumulative amount of land handed over				

<sup>37</sup> Depending on the status of the final detail design during the submission of the report this activity might not yet started. Provide the information on the expected date the activity to be conducted instead. For IPP/EGDP, this might entail the progress of the implementation of IPP/EGDP

		reporting period						
			Amount in m2	% of total affected land	Amount in m2	% of total affected land		
District 1								
District 2								
TOTAL								

**Table 2: General Progress in Compensation**

Project component/Location	AHs (APs) eligible for compensation <sup>a</sup> and/or assistance/allowances <sup>b</sup>		
	Total Number of AHs (APs)	Number of AHs (APs) fully paid	% Progress

AH = affected household AP = affected person IP = Indigenous Peoples

a. All forms of compensation, including affected assets (land/ non-land, crops, etc.) or loss of income

b. Includes all types of allowances and assistance except income restoration, which is presented separately in Section III below

**Table 3: Progress in Compensation of Vulnerable AHs**

Project component/Location	Total Number of Vulnerable AHs (APs)					Number of Vulnerable AHs (APs) fully paid					% Progress
	Total	Poor	Ethnic Minority	FHH with dependents	Others	Total	Poor	Ethnic Minority	FHH with dependents	Others	

**Table 4: General Progress in Relocation**

Project component/Location	AHs (APs) required to relocate		
	Total Number of AHs (APs)	Number of AHs resettled <sup>c</sup>	% Progress

AH = affected household AP = affected person

c. Includes households (HHs) provided interim measures agreed in RP such as rental assistance while waiting for completion of resettlement site

**Table 5: Disbursement and Use of Funds**

Component/Location	LAR Budget Requirement	Source of Funding <sup>38</sup>	Funds Disbursed this Reporting Period	Specific Resettlement activities funded this Reporting Period <sup>39</sup>	Timeliness of Fund Disbursement	Cumulative Funds Disbursement
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<sup>38</sup> E.g. Central Government, Municipality, Loan Funds, etc.

<sup>39</sup> E.g. Number of resettlement sites developed, number and type of community facilities constructed, number of AHs fully compensated, livelihood restoration activities implemented

					Delay in targets for fund disbursement? (Y/N)	Reasons for delay	

LAR = land acquisition and resettlement

## 1. Other Remarks on Resettlement

- Describe the issue with land title (Land Use Right Certificate) adjustment (for the non-relocating households) and allocation (for relocating households). For example, how many relocating households got LURC allocated, how many partially affected households got LURC adjusted.
- 
- [Describe issues identified along with planned and completed remedial actions. Also provide additional information regarding delays in completing resettlement sites, if any, including actions to be taken.]

## I. Updated Resettlement Impacts

**Table 6: Updated Number of Affected Households**

Location	Total No. of Affected Households	Change in Number of affected households Compared to Updated RP

**Table 7: Updated Number of Severely Affected Households**

Location	No. of Severely Affected Households due to loss of productive assets	Change in Number of severely affected households Compared to Updated RP

**Table 8: Updated Number of Vulnerable Affected Households**

Location	No. of Vulnerable Affected Households due to loss of productive assets	Change in Number of vulnerable affected households Compared to Updated RP


**Table 9: Updated Physically Displaced Households**

Location	AHs with Affected Houses	AHs with Fully Affected Houses			Partially Affected AHs	Change in Number of AHs with Fully Affected Houses Compared to Updated RP
		Total	House Built on Land Eligible for Compensation	Of which Vulnerable <sup>40</sup>		

**II. Relocation****Table 10: Confirmed Resettlement Preferences for Households with Fully Affected Houses**

Location	# of AHs with Fully Affected Houses	# of AHs Required to Relocate	# of AHs Opting for Replacement Land	# of AHs Opting for Self Relocation (HHs)	# of AHs that Can Rebuild on Remaining Land	# of AHs that opt for relocation apartment in relocation building

**Table 11: Resettlement Solutions Implemented for Vulnerable Households**

	Indigenous People (HHs)	Landless (HHs)	Poor (HHs)	Female-Headed Households	Other [add as needed]
Rebuilt on remaining land					
Rebuilt on another plot of land already owned					
Rebuilt (e.g. moved back) out of COI but on public land					
Rebuilt on other person's land (e.g. relative)					
Purchased replacement land elsewhere themselves					
Provided with plot at resettlement site					
Provided with replacement residential plot (non-resettlement site)					
Solution Pending					

COI = corridor of impact

**Table 12: Status of Resettlement Sites**

Resettlement Site*/ Location	Actual completion date	Scheduled completion date	Current status (briefly describe status of completion of infrastructure, etc.)	No. of plots allocated for project	No. of AHs to be allocated plots	No. of plots handed over to AHs	# AHs issued title	# AHs rebuilt houses	# AHs living in relocation site as of reporting period

\* Include also separate residential plots to be provided to AHs even if these are not included in resettlement sites.

<sup>40</sup> E.g. Number of female-headed with dependents; number of poor; number of IPs, etc.



**Table 13: General Progress in Ethnic Minority Development Plan (EMDP) Implementation**

Project Component/Location [District]	List of EM living in the area	EM Development Activities	Implementation status]	Remarks
District 1				
District 2				
TOTAL				

## 2. Other Remarks on EMDP implementation

- [Describe issues identified along with planned and completed development actions. Also provide additional information regarding delays/ obstacles in completing the agreed actions, if any, including remedial actions to be taken.]

## III. Income Restoration Program<sup>41</sup>

{Income/livelihood Restoration Program approaches may vary significantly from each project, and the types of questions asked and data requirements may vary considerably depending on the RP/REMDP/EMDP. As such, below is intended as a very general guide.}

### 1. Status of Income/livelihood Restoration Program

[Provide updated details of income restoration activities to be provided, institutional/implementation arrangements, resource requirements and schedule.] For REMDP, prepare specific section on the status of the program prepared for affected EM groups of the projects.

### 2. Consultation with Eligible APs and EMs

[What consultation activities were undertaken during the reporting period to assess needs and preferences of eligible APs/ Ems groups? Describe how EM groups, women and other vulnerable APs have been included in the consultation process.]

**Table 14: Program Participation (Cumulative)**

Location	No. of eligible APs	Participation in Livelihood Restoration Activities Disaggregated by Gender and ethnicity <sup>42</sup> of AP [examples provided below, revise as appropriate for specific Income Restoration Program]	Total # of APs	Of which vulnerable <sup>43</sup>
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<sup>41</sup> Depending on the status of the final detail design during the submission of the report this activity might not yet started. Provide the information on the expected date the activity to be conducted instead. For IPP/ EMDP, this might entail the progress of the implementation of IPP/EMDP

<sup>42</sup> In projects where there are IP issues

<sup>43</sup> E.g. No. of female-headed with dependents, no. of poor; no. of IP

		No. of APs in Agricultural Extension	No. of APs in Mechanic Course	No. of APs in Sewing Course	No. of APs in Small Business Training	[other]		
Village 1								
Village 2								
Village 3								

**Table 15: Effectiveness of Income/ Livelihood Restoration Program Activities**

Location	No. of eligible APs	No. of APs employed in project-related jobs as of this monitoring period			# of APs employed in other jobs as of this monitoring period (post- resettlement)		Total # of employed APs <sup>44</sup>	Of which vulnerable <sup>45</sup>
		(Specify type of Project- related job)	(Specify type of Project-related job)	(Specify type of Project- related job)	(Specify type of job)	(Specify type of job)		
Village 1								
Village 2								
Village 3								

### 3. Other Remarks on Livelihood Restoration

[Please describe any issues encountered and approaches taken to resolve these.]

### E. Disclosure, Consultation & Participation

This section describes public participation and consultations activities during the project implementation as agreed in the plan. This includes final consultations with APs during RP finalization after the completion of detail design; the numbers of activities conducted; issues raised during consultations and responses provided by the project team, implementing NGOs, project supervision consultants, contractors, etc. The idea here is for the PMU to demonstrate how the URP/UEMDP/UREMDP has been disclosed to APs and/or affected EMs. The column headings would represent what ever is indicated in the updated RP as the means of disclosure.

**Table 16: Means of Disclosure of URP/UEMDP/UREMDP by Location**

Location [Village]	Translated approved URP/UEMDP/UREMDP disseminated to village office? (yes/no)	PIB disseminated to AHs (date/ method*)	PIB posted in public place? (yes/no)	Public meeting to present approved URP/UEMDP/UREMDP (date)	Target date to complete disclosure (date)	Community board support required (Yes/No)
Village 1						
Village 2						

\* Dissemination method such as handed out in public meeting, distributed house-to-house, etc.

#### 1. Consultations

<sup>44</sup> From those who participated in income restoration program

<sup>45</sup> E.g. No. of female-headed households with dependents; no. of poor; no. of IP etc.

**Table 17: Consultation/Information Dissemination Meetings Conducted During Reporting Period**

Date	Venue	Participants [Disaggregated by gender]	Consultation content	Meeting Minutes with PMU

### 1. Other Remarks on Public consultation and participation

[Please describe any issues encountered and approaches taken to resolve these.]

## F. Operation of Grievance Redress Mechanism (GRM)

This section described the implementation of project GRM as design in the approved RP/IPP. This includes evaluations of its effectiveness, procedures, complaints receive, timeliness to resolve issues/ complaints and resources provided to solve the complaints. Special attentions should be given if there are complaints received from the affected people or communities.

**Table 18: Summary of Grievance Cases by Level of GRM**  
{Subject to EA's confirmation that they would like to use such a table}

Location	No. of pending grievance from previous reporting period	No. of new grievance cases for reporting period	Total no. of cases received	No. of cases resolved	No. of cases progressed to next level
Level 1					
Level 2					
Level 3					

### 1. Narrative Summary of Grievances

[Provide a narrative summary of grievance cases by type of issue and location, for example...]  
[Where resolution of grievance resulted in any cases of land/assets compulsorily acquired, provide details along with information regarding relevant court or administrative decision and confirmation whether funds due from compensation and assistance have been placed in escrow account or provided to AP.]

## G. Other Issues

### 2. Resolution of Issues

[Provide information on status and/or resolution of issues raised in previous internal monitoring report; ADB monitoring; external monitoring report, etc.]

### 3. New Issues

[Provide information on other newly identified issues impacting the implementation of RP. These may include resource constraints, changes in scope of impacts, etc.]

#### **4. Institutional Matters and Capacity Training**

[Report on the following as applicable]

- (i) Deployment of safeguards-related staff within PMUs. Key activities conducted by PMU safeguards staff during reporting period.
- (ii) Capacity development training provided: type and number of trainings, number of staff/officers trained (disaggregated by gender).
- (iii) Activities of community-based organizations (CBOs)/mass organizations (as applicable)
- (iv) Adequacy of resources for PMU staff and consultants
- (v) Issues in undertaking roles/responsibilities of different agencies

#### **5. Temporary Impacts during Civil Works**

[Describe temporary impacts during implementation, including quantities of impacts, #AHs, location, types, etc. and status of restoring temporarily affected assets as appropriate and the responsible agency.]

### **H. Institutional Arrangement**

This section describes the actual implementation or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit/ team and appointment of staff in the EA/IA; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards issues, the roles of NGO and women's groups in the monitoring and implementation of the plan, if any.

### **I. Monitoring Results – Findings**

This section describes the summary and key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status (e.g., adequacy of IR compensation rates and timeliness of payments, adequacy and timeliness of IR rehabilitation measures including serviced housing sites, house reconstruction, livelihood support measures, and training; budget for implementing URP/UREMDP, or UEMDP, timeliness and adequacy of capacity building, etc.). It also compared against the objectives of safeguards or desired outcomes documented (e.g. IR impacts avoided or minimized; livelihood restored or enhanced; IP's identity, human right, livelihood systems and cultural uniqueness fully respected; IP not suffer adverse impacts, environmental impacts avoided or minimized, etc.). For FI projects this includes the effectiveness of the Environmental and Social Management System (ESMS) managed by the FI and its participating institutions<sup>46</sup>. If noncompliance or any major gaps identified, include the recommendation of corrective action plan.

### **J. Compliance Status**

This section will summarize the compliance status of the project activities with the loan covenants, ADB SPS (2009) on SR 2 and SR 3 and the approved final RP(s)/ REMDP/EMDP.

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<sup>46</sup> Specific for the FI projects, external agency may be required to conduct an audit of the project ESMS.

**K. Follow up Actions, Recommendation and Disclosure**

This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should also be included. A time-bound summary table for required actions should be included.

**Appendix 1**

- i. List of Affected Persons and Entitlements
- ii. Summary of RP/IPP with entitlement matrix

**Appendix 2**

- i. Copies of AP's certification of payment (signed by the APs)
- ii. Summary of minutes of meetings during public consultations
- iii. Summary of complaints received and solution status

## **GENDER ACTION PLAN**

Date of Update:

Project Title: Water Supply and Sanitation Investment Project

Country: Timor-Leste

Project No.

Type of Project (Loan/Grant/TA): Project Loan

Approval and Timeline:

Gender Category: Effective Gender Mainstreaming

PMU Project Director:

ADB Project Officer:

Project Impact:

Project Outcome:

Project Outputs:

<b>Gender Action Plan</b> (GAP Activities, Indicators and Targets, Timeframe and Responsibility) based on RRP	<b>Progress to Date</b> (This should include information on period of actual implementation, sex-disaggregated qualitative and quantitative updates (e.g. number of participating women, women beneficiaries of services, etc.). However, some would be in process - so explain what has happened towards meeting this target.	<b>Issues and Challenges</b> (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
<b>Output 1: Regulatory environment improved</b>		
Action:  Responsibility:  Time:		
Action:  Responsibility:  Time:		
<b>Output 2: Water supply and sanitation infrastructure improved</b>		
Action:  Responsibility:  Time:		
Action:  Responsibility:  Time:		
<b>Output 3: Institutional effectiveness improved</b>		
Action:  Responsibility:		

<b>Gender Action Plan</b> (GAP Activities, Indicators and Targets, Timeframe and Responsibility) based on RRP	<b>Progress to Date</b> (This should include information on period of actual implementation, sex-disaggregated qualitative and quantitative updates (e.g. number of participating women, women beneficiaries of services, etc.). However, some would be in process - so explain what has happened towards meeting this target.	<b>Issues and Challenges</b> (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc.)
Time:		
Action:  Responsibility:  Time:		
Comments / Remarks:		
Accomplished by:		
Date Accomplished:		

:



## DESIGN AND MONITORING FRAMEWORK

<b>Impact the Project is Aligned with</b> 100% water supply and sanitation service coverage by 2030 (Timor-Leste Strategic Development Plan 2011–2030) <sup>a</sup>			
<b>Results Chain</b>	<b>Performance Indicators</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Risks and Critical Assumptions</b>
<b>Outcome</b> Inclusive and sustainable access to water supply and sanitation services in project cities achieved	By 2029: a. At least 62,000 people <sup>b</sup> (at least 50% of whom are women) serviced by new water supply facilities providing 24/7 water supply at a minimum pressure of 10 meters and meeting national drinking water quality standards (2020 baseline: 0) (OP 4.1, OP 2.1.4)  b. At least 62,000 people <sup>b</sup> (at least 50% of whom are women) serviced by new safely managed sanitation facilities (2020 baseline: 0) (OP 4.1, OP 2.1.4)  c. Tariff collection ratio increased to at least 80% in project cities (2020 baseline: 0%) (OP 6.2.1)	a. Annual reports and project performance monitoring reports by MPW, ADB loan missions, and PCR  b. Annual reports and project performance monitoring reports by MPW, ADB loan missions, and PCR  c. SMASA customer service report	R: Failure to implement water tariff reforms results in limited cost recovery and unsustainable water services.
<b>Outputs</b> 1. Regulatory environment improved	By 2028: 1a. Socially and gender inclusive institutional development roadmap <sup>c</sup> on planning, service delivery, and financial management (including tariff reform plan) developed and endorsed by MPW (2020 baseline: none) (OP 2.3.2, OP 4.2.1)  1b. Planning and service delivery guidelines that integrate gender actions <sup>d</sup> for management of water supply and sanitation established and implemented in each project city (2020 baseline: none) (OP 2.3.2, OP 4.2.1)	1a. Institutional development roadmap  1b. Planning and service delivery guidelines	R: Implementation of the institutional development roadmap lacks government support.
2. Water supply and sanitation infrastructure improved	2a. Seven water supply treatment facilities with a total capacity of 24,200 m³/d newly constructed and operational (2020 baseline: 0) (OP 4.1.2)	2a.-2e. Project construction records and project performance monitoring reports	R: MPW has limited understanding of the procurement framework, including

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
3. Institutional effectiveness improved	<p>2b. 130 km of water supply distribution network newly constructed and operational (2019 baseline: 0 km) (OP 4.1.2)</p> <p>2c. Water meters in 7,000 households installed and operational (2020 baseline: 0) (OP 2.4.1, OP 4.1.2)</p> <p>2d. 12 public toilets newly constructed and operational (2020 baseline: 0) (OP 2.4.1, OP 4.1.2)</p> <p>2e. Three septage treatment facilities with a total capacity of 8.7 m<sup>3</sup>/d newly constructed and operational (2020 baseline: 0) (OP 4.1.2)</p> <p>3a. O&amp;M system established and implemented in each project city (2020 baseline: none) (OP 6.2.1)</p> <p>3b. 50 staff (at least 8% women)<sup>e</sup> of SMASA trained in planning, project management, asset management, O&amp;M, financial management, and tariff collection (2020 baseline: 0) (OP 6.2.1, OP 2.1.1)</p> <p>3c. At least 75% of customers (at least 50% of whom are women) confirm accessibility to, responsiveness of, and satisfaction with the new customer service feedback and complaint procedures (2020 baseline: 0) (OP 2.1.4, OP 6.2.1)</p>	3a-3c. Project progress report, PCR, training records, annual reports	<p>contract management and administration.</p> <p>R: SMASAs' capacity to operate and maintain water supply and sanitation infrastructure is weak.</p>

**Key Activities with Milestones****1. Regulatory environment improved**

- 1.1 Conduct sector and regulatory review by Q2 2023
- 1.2 Develop a gender and socially inclusive institutional development roadmap by Q3 2023
- 1.3 Implement institutional development roadmap by Q4 2025

**2. Water supply and sanitation infrastructure improved**

- 2.1 Complete construction of civil infrastructure by Q2 2026

**3. Institutional effectiveness improved**

- 3.1 Develop O&M regime by Q4 2026
- 3.2 Implement O&M regime, services, and training program by Q2 2028
- 3.3 Customer service feedback and complaint procedures developed and implemented by Q4 2026

**Project Management Activities**

- Recruitment of project supervision consultants by Q4 2021
- Project management and supervision by Q2 2028
- Implementation of the GAP by Q2 2028
- Project completion report by Q3 2028

**Inputs**

- ADB: \$47,000,000 (loan)
- Global Environment Facility: \$3,000,000 (grant)
- Government: \$12,500,000

ADB = Asian Development Bank, km = kilometers, m<sup>3</sup>/day = cubic meter per day, MPW = Ministry of Public Works, PCR = project completion report, PSC = project supervision consultants, O&M = operation and maintenance, OP = operational priority, Q = quarter, R = risk, SMASA = Municipal Water, Sanitation, and Environment Services.

<sup>a</sup> Government of Timor-Leste. 2011. *Timor-Leste Strategic Development Plan (2011-2030)*. Dili.

<sup>b</sup> At least 62,000 residents are expected to benefit from the project by the end of the first year of full operations of the new water supply facilities. During the 25 years of the useful life of the assets, it is estimated that 92,000 residents will benefit from the project.

<sup>c</sup> The project will support the project cities to develop and endorse a socially and gender-inclusive institutional development roadmap to ensure equitable access to employment opportunities including: nondiscrimination in recruitment and hiring practices; equal pay for work of equal value; training and awareness raising on gender-based violence, sexual exploitation, abuse, and harassment; and a client outreach mechanism to ensure accountability and effective service delivery by responding to the needs and experiences of men and women.

<sup>d</sup> Socially and gender-inclusive planning and service delivery guidelines for water supply and sanitation management will provide regular gender and social analysis, to establish tariff-setting mechanisms and revenue collection targets for each municipality based on the socio-economic composition of households.

<sup>e</sup> 8% reflects the limited participation of women in the water supply and sanitation sector in Timor-Leste and ensures a realistic and ambitious target for women's participation in training activities.

**Contribution to Strategy 2030 Operational Priorities**

Expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in [Appendix 2](#) of the report and recommendation of the President).

Source: Asian Development Bank.