

ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)

(This report covers implementation period from July 1, 2020 to June 30, 2021 including recently closed projects covering the reporting period)

ADB Official Project Title: Road Network Upgrading Sector Project (Additional Financing – GEF)

ADB Project Number: Grant 0404-TIM (Project No. 46260-002)

I. GEF PROJECT SUMMARY**Project Ratings:**

Development Objective Rating (DO): Satisfactory

Implementation Progress Rating (IP): Satisfactory

Risk Rating: Low risk

Information on Progress, challenges and outcomes on project implementation activities

All the civil works for the two road sections under the grant have been completed and the road sections are currently under PBM contract and defect liability period. Upon the request of the government, the grant closing date was extended from 30 June 2020 to 30 June 2022 to cover the defects liability period and a part of Performance Based Maintenance (PBM) contract which were extended due to delays encountered during construction.

Information on Progress, challenges and outcomes on stakeholder engagement

The stakeholders have been engaged from the beginning and throughout the implementation of the project. The local authorities and people in the project affected area were consulted on the project design so they had clear understanding of the project impacts and hence strongly supported the project. The local people were economically benefited by employment for the road construction and maintenance works.

Information on Progress on gender-responsive measures

The project design incorporated the views and requirements of the women in the project area. Based on the project's Gender Action Plan, key activities namely creation of awareness of gender and transport security, and HIV/AIDS; engagement of women in the construction work by quota, favoring unemployed widows, female heads of households, and other vulnerable groups; and engagement of women in bioengineering and road maintenance works by quota have been successfully implemented under the completed road sections.

Knowledge activities/ Products

The International Bio-Engineering Specialist was engaged from January 2017 up to December 2018. The specialist conducted two training sessions for the Directorate of Roads, Bridges and Flood Control (DRBFC) staff in July 2017 and August 2018. The National Bio-Engineering and Watershed Management and Technical Officer, who was engaged from August 2017 up to present, provided support to bio-

engineering works for the Manatuto to Natarbora road sections as well as other ongoing road projects (i.e., Baucau to Lautem; Maubara-Karimbala-Mota Ain road sections under Loans 3341/3342-TIM, and Tasitolu to Tibar road section under Loan 3181-TIM).

II. Project Profile

1. General Information	1	GEF ID	5773
	2	Focal Area(s)	Climate Change Adaptation
	3	Region	Regional (Southeast Asia)
	4	Country	Timor-Leste
	5	GEF Project Title	CPDP: Upscaling Climate Proofing in the Transport Sector in Timor-Leste: Sector Wide Approaches
	6	Project Size (FSP; MSP)	FSP
	7	Trust Fund (GEFTF; SCCF; LDCF)	LDCF
2. Milestone Dates	8	GEF CEO Endorsement Date (mm/dd/yy)	06/24/2017
	9	ADB Approval Date if the GEF Fund (mm/dd/yy)	09/11/2014
	10	GEF Grant Signing of the GEF Fund (mm/dd/yy)	12/03/2015
	11	Implementation Start Date of the Project and of the GEF Component (mm/dd/yy)	12/21/2015
	12	Date of 1st GEF Grant Disbursement (mm/dd/yy)	05/17/2016
	13	Final date of GEF Grant Disbursement (mm/dd/yy)	N/A
	14	Proposed/Revised Implementation End (mm/dd/yy)	06/30/2022
	15	Actual Implementation End (mm/dd/yy)	06/30/2022
3. Funding	16	Expected Financial Closure Date (mm/dd/yy)	10/30/2022
	17	Actual Financial Closure Date (mm/dd/yy)	N/A
	18	PPG/PDF Funding (USD)	None
	19	GEF Grant (USD)	\$4.46 million
	20	Total GEF Fund Disbursement as of 30 June 2021(USD)	\$2.61 million
	21	Confirmed Co-Finance at CEO Endorsement (USD)	
4. Evaluations	21	Materialized Co-Finance at project mid-term (USD)	
	22	Materialized Co-Finance at project completion (USD)	
	23	Proposed Mid-term date (mm/dd/yy)	N/A
	24	Actual Mid-Term date - if applicable (mm/dd/yy)	01/31/2018 to 02/07/2018
	25	Proposed Terminal Evaluation date (mm/dd/yy)	N/A
	26	Actual Terminal Evaluation Date (mm/dd/yy)	N/A
	27	Tracking Tools Required (Yes/No/ Focal Area TT)	No
28	Tracking Tools Date - if applicable (mm/dd/yy)		
		Midterm Tracking Tool	
		Terminal Evaluation Tracking Tool	

III. Project Implementation

A. Project Description:

The GEF grant will contribute towards the objective of climate resilience through (i) physical measures to counter climate change variability and extreme events, (ii) expanding knowledge and understanding of climate change amongst policy makers, planners and engineers, (iii) implementation of community based approaches to sustainable watershed management, (iv) development of adaptation measures in maintenance practice and (v) establishment of improved linkages between climate-change and transport sector professionals. \$3.15 million of the total grant of \$4.5 million is allocated to meet the cost of the physical measures to counter climate change and extreme events associated with the upgrading of the road from Manatuto to Laclubar Junction; and Laclubar Junction to Natarbora with a total length of 81 kilometers (km).

The grant finances 4.7%, equivalent to \$2.93 million, of the total cost of civil works for the upgrading of Manatuto to Laclubar Junction, and Laclubar Junction to Natarbora, representing the estimated cost of climate resilience measures that have been incorporated in the designs.

B. Implementation Progress (IP) Rating:

The implementation progress of the project was rated as *satisfactory*, as all civil works have been completed despite some implementation delays. The soft components of the project such as social and gender activities, road safety and HIV awareness, and environment and climate change were successfully implemented.

The civil works for the road section from Manatuto to Laclubar Junction was completed in December 2018, 12 months behind the original schedule. The delay was due to heavy rainfalls, shortage of local workers, and delay in issuance of working visa for foreign experts/workers. The road section is currently under performance-based maintenance (PBM) period which will be until end-2021. The civil works for the road section from Laclubar Junction to Natarbora was completed in December 2019, 24 months behind the original schedule. Besides the same problems as that of the Manatuto to Laclubar Junction section, the weak capacity of the contractor and supervision consultant also largely contributed to this long delay. The road section is currently under PMB until end-2022.

Upon the request of the government, the grant closing date was extended from 30 June 2020 to 30 June 2022 to cover the defects liability period and a part of PBM contract which were extended due to the delays mentioned. All the civil works for the two road sections have been completed and went through defect liability period for 12 months and are currently under PBM contract so it is expected that the project should be completed without any major issues.

The implementation progress in 2020 and first half of 2021 was also significantly affected due to the coronavirus disease (COVID-19) pandemic in addition to the persisting systemic problems which were mainly due to the weak capacity of the executing and implementing agencies. The government declared state of emergency from 28 March to 26 Jun 2020 and have since been renewed on a monthly basis. Under the state of emergency, the contractors and consultants were unable to work effectively due to various restrictions imposed by the concerned authorities. Many engineers and other staff of the contractors and consultants could not return to the country due the travel ban.

The non-renewal of the contracts of (i) the six international Project Management Unit (PMU) consultants which ended in December 2018 and the (ii) Project Manager by mid-July 2019 also affected processing of billings, contract variation orders, and recruitment of consultants resulting to slower disbursements. Replacement PMU consultants/staff commenced services only in June 2020 starting with the Project Manager (national), followed by the Chief Technical Advisor (international) in July 2020, Road Construction Advisor (international) in October 2020, Assistant Financial Administrator (national) in February 2021, and Environment and Resettlement Specialist (international) in May 2021. PMU is still in the process of recruiting a replacement Contracts/Quantity Engineer (international).

The National Bio-Engineering and Watershed Management and Technical Officer conducted field visits in June 2021 to check on the condition of the completed bio-engineering works.

a. GEF Grant Disbursement

Delays in civil works were due mainly to (i) exceptionally abnormal climatic/weather conditions in site areas, (ii) unforeseen shortages in the availability of workers, and (iii) delayed issuance of working visa for the contractor's foreign personnel. Progress of the performance based maintenance in 2020 and first half of 2021 was affected by COVID-19 pandemic wherein a state of emergency was declared from 28 March to 26 June 2020 and have since been renewed on a monthly basis affecting delaying contractors' and consultants' work due to various restrictions imposed by the authorities during the period.

Total disbursements up to 30 June 2021 amount to \$2.61 million i.e., \$2,613,171.69 to be exact from \$2,608,586.12 in the same period in 2020. This is equivalent to 58.07 % of total grant value.

The total undisbursed amounts for the two civil works' contracts financed by Grant 0404-TIM is at \$704,531.13 comprising \$253,647.37 for Manatuto to Laclubar Junction road section civil works contract, and \$450,883.76 for Laclubar Junction to Natarbora road section civil works contract.

b. Stakeholders Engagement

The stakeholders have been engaged from the beginning and throughout the implementation of the project. The local authorities and people in the project affected area were consulted on the project design so they had clear understanding of the project impacts and hence strongly supported the project. The local people were economically benefited by employment for the road construction and maintenance works.

c. Gender Action Plan Implementation Status

The project design incorporated the views and requirements of the women in the project area. Based on the project's Gender Action Plan, key activities namely creation of awareness of gender and transport security and HIV/AIDS; engagement of women in the construction work by quota, favoring unemployed widows, female heads of households, and other vulnerable groups; and engagement of women in bioengineering and road maintenance works by quota have been successfully implemented under the completed road sections.

d. Social and Environmental Safeguard Plan Implementation Status

Social Safeguard

As of this period, a total of 160 affected persons in Manatuto to Laclubar Junction road section, and 184 affected persons in Laclubar Junction to Natarbora road section have been fully compensated.

The Grievance Redress Mechanism was established and was operational during the civil work period. There is no pending social safeguards issue.

The resettlement plan for Manatuto-Laclubar Junction-Natarbora road sections is being updated to include due diligence of completed payment and livelihood and income restoration program and expected to be completed by the Ministry of Public Works by Q3 2021.

Environmental Safeguards

The civil works were completed at the end of 2019 and currently under PBM contract.

As a result of heavy rains, number road sections and a bridge along two road sections collapsed and it caused traffic disruptions and slippery road. The Contractor was advised to institute proper maintenance by clearing mud and create temporary access road to maintain safe riding condition. The collapsed bridge was not part of the project scope, so it was proposed to utilize some portion of GEF grant to design the replacement bridge.

C. Global Environmental Benefits (GEB) Objective/ Development Objective (DO) Rating:

The project GEB and DO objectives rating was *satisfactory*. The development objectives were mostly met. The improved road surface and increased vehicle speed have resulted in substantial reduction of emission, hence CO₂ reduction. The use of bioengineering technique for slope protection/climate change adaptation was environmentally friendly and cost-effective.

The target of 30% reduction in travel time from Manatuto to Natarbora has been fully achieved following the completion of civil works at the end of 2019. It was observed that the reduction in travel times even beyond than 30%.

To be able to adapt to the climate change, increase in intensity of rain, the project installed minimum size of pipe culverts of 910mm diameter. Several box culverts were also introduced to cope with the increase in volume of water discharge from gullies. Embankment in some locations have been strengthened by the introduction of mechanically stabilized earth (MSE) due to the condition of soil on site and the susceptibility of the materials to erosion. Bio-engineering measure for the project was improved with the proper guidance from the National Bio-Engineering and Watershed Management and Technical Officer mobilized under the GEF grant. The International Bio-Engineering Specialist conducted two training sessions for the Directorate of Roads, Bridges and Flood Control (DRBFC) staff in July 2017 and August 2018. The National Bio-Engineering and Watershed Management and Technical Officer conducted field visits in June 2021 to check on the condition of the completed bio-engineering works.

One-year defects notification period (DNP) and two-years performance-based maintenance (PBM) are included in the civil works contract and currently in effect.

The International Bio-Engineering Specialist prepared the watershed and protection plan for areas along the road. It will be implemented once the budget is secured by the Government of Timor-Leste.

D. Risk Rating:

The project was rated as *low risk*. All civil work contracts have been completed and the roads are currently under PBM contract. Most of the climate change and environment activities were also completed. Nevertheless, the project risk on GEB could be higher without the mitigation measures described in Section C above.

E. Overall Rating of the Project:

Overall Rating: With the introduction of measures to mitigate the impact of climate change, the project was rated as *satisfactory*. The PMU engaged some individual consultants to monitor the climate change adaptation works namely bio-engineering works to stabilize side slopes and prevent erosion.

F. Additional Comments – Good Practices and Lessons Learned:

Involvement of Bio-Engineering Specialist provides the opportunity for the use of locally grown species of plants that can protect the slope and easily grow on site.


G. Knowledge activities / products:

During the reporting period, PMU intends to engage the services of International Climate Change Specialist but was not successful due to lack of interest applicants. The recruitment will be re-advertised, and the result will be noted in the next reporting period. The Climate Change Adviser expected to provide institutional strengthening capacity program to the relevant institutions on introduction of measures to mitigate the impact of climate change and to design program on mainstreaming CCA into transport infrastructure.


H. Location Data:


Manatuto to Laclubar Junction; Laclubar Junction to Natarbora road, with a total length of 79.7 km, starts around 65 km east of the capital city of Dili, exactly at Manatuto roundabout (Manatuto District) and continues inland towards the southern direction up to Natarbora, thus completing the central north-south link.

Signature:

Name of Project Officer: Witoon Tawisook 
Position: Principal Transport Specialist, SETC/SERD
Date: 17 August 2021

Endorsed by:

Tsuneyuki Sakai 
Unit Head, Project Administration, SETC/SERD

Hiroaki Yamaguchi 
Director, SETC/SERD
17 August 2021

ANNEX B. Project Contacts

ADB Project Officer	Witoon Tawisook
Division and Department	SETC/SERD
Email	wtawisook@adb.org

EA Project Officer	CAFI (Council for Administration of the Infrastructure Fund)
Name and Agency	
Email	

Co-Implementing Partner	Ministry of Public Works (formerly Ministry of Public Works, Transport and Communications), Government of Timor-Leste
Name and Agency	Mr. Salvador Soares dos Reis Pires, Minister
Email	

Project Coordinator/Manager	
Name and Agency	
Email	

ANNEX C: DEFINITION OF RATINGS

Implementation Progress Ratings

Highly Satisfactory (HS): Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.

Satisfactory (S): Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that is subject to remedial action.

Moderately Satisfactory (MS): Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.

Moderately Unsatisfactory (MU): Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action..

Unsatisfactory (U): Implementation of **most** components is not in substantial compliance with the original/formally revised plan.

Highly Unsatisfactory (HU): Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

Global Environment Objective/Development Objective Ratings

Highly Satisfactory (HS): Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.

Satisfactory (S): Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.

Moderately Satisfactory (MS): Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.

Moderately Unsatisfactory (MU): Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.

Unsatisfactory (U): Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.

Highly Unsatisfactory (HU): The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

Risk Rating

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

High Risk (H): There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

Substantial Risk (S): There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.

Modest Risk (M): There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.

Low Risk (L): There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.