

ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)

(This report covers implementation period from July 1, 2022 to June 30, 2023 including recently closed projects covering the reporting period)

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

ADB Project Number: 46260-002 / Grant 0404-TIM

I. GEF PROJECT SUMMARY

Project Ratings: (Please see Annex C for Definition of 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

(Please provide brief summary on the overall implementation of the projects including output and activities of the project. Provide highlights and issues regarding implementation. Other details should be discussed under PART III)

All the civil works for the two road sections – (i) Manatuto-Laclubar Junction; and (ii) Laclubar Junction-Natarbora - under the grant have been completed in December 2018, and November 2019, respectively. The defects liability period (DLP) for Manatuto-Laclubar Junction was from 26 December 2018 to 14 September 2020, and the performance-based maintenance (PBM) ended on 22 September 2022. DLP for Laclubar Junction-Natarbora was from 9 November 2019 to 7 November 2021. PBM is expected to end on 8 November 2023.

Based on government's request, ADB on 30 June 2022 approved the grant's closing date extension by an additional 18 months and 1 day from 30 June 2022 to 31 December 2023 to cover (i) the completion of the PBM period on 15 September 2022 for the Manatuto to Laclubar Junction road section, and 8 November 2023 for the Laclubar Junction to Natarbora road section. Delays in completion of civil works affected the defects liability and the PBM periods; and (ii) updating of feasibility study (FS) and preparation of a detailed engineering design (DED) for a new Lamara Bridge to be financed by uncommitted Grant proceeds. It was also envisaged that issues of pending payments to the contractors and construction supervision consultant for the project will be resolved during the extension period. The extension was also for the government to settle outstanding social safeguards issues.

During ADB's review mission in November 2022, the government informed the project team that its earlier request to use \$0.54 million for consulting services to update the FS and prepare the DED for a new Lamara Bridge will not push through as planned. Instead, the government intends to use uncommitted grant proceeds for DED for damaged areas along the Manatuto-Laclubar Junction-Natarbora road section. ADB is still waiting for receipt of the government's formal advice on the matter.

Information on Progress, challenges and outcomes on Environment and Social Safeguards

(Please provide brief summary on stakeholder engagement based on the description of the Environmental and Social Safeguards Plan included at GEF CEO Endorsement/Approval)

Environment Safeguards. As civil works have been completed and two road sections are currently in PBM period, it was observed during ADB's review missions in 2022 that the asphalt processing plants remain on the project site. The project management unit (PMU) of the Ministry of Public Works (MPW) clarified in July 2023 that the two civil works contractors have leased the property on a long-term basis and are currently using effectively using the

property as a storage yard for their inactive plant equipment until such time they need to use it elsewhere. PMU also explained that the contractor for Laclubar Junction-Natarbora might reactivate use of the plant (if needed) as the road section is currently still under PBM period.

Social Safeguards. While civil works have been completed, MPW is yet to submit its resettlement completion report. ADB has reminded the government to submit the report.

Information on Progress, challenges and outcomes on stakeholder engagement

(Please provide brief summary on stakeholder engagement based on the description of the STAKEHOLDER ENGAGEMENT PLAN included at GEF CEO Endorsement/Approval)

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 a 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

(Please provide brief summary or update on the GENDER ACTION PLAN or equivalent as documented at GEF CEO Endorsement/Approval)

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

(List of Knowledge activities/products as outlines in Knowledge Management approved at GEF CEO Endorsement/Approval)

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 June 2022, 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: Road Network Upgrading Sector Project – Additional Financing, and Tasitolu to Tibar road section under Loan 3181-TIM: Road Network Upgrading Project – Additional Financing).

Grievances

(Please provide brief summary on any reported project grievances/complaints including date of complaint filed, nature of grievances, action plan, resolution and date resolved during the reporting period)

No grievances were reported related to the project.

GEO LOCATION INFORMATION

(The Location Name, Latitude and Longitude are required fields insofar as an Agency chooses to enter a project location under the set format. The Geo Name ID is required in instances where the location is not exact, such as in the case of a city, as opposed to the exact site of a physical infrastructure. The Location & Activity Description fields are optional. Project longitude and latitude must follow the Decimal Degrees WGS84 format and Agencies are encouraged to use at least four decimal points for greater accuracy. Users may add as many locations as appropriate. Web mapping applications such as [OpenStreetMap](#) or [GeoNames](#) use this format. Consider using a conversion tool as needed, such as: <https://coordinates-converter.com>). Please see attached Please see the Geocoding User Guide for reference.

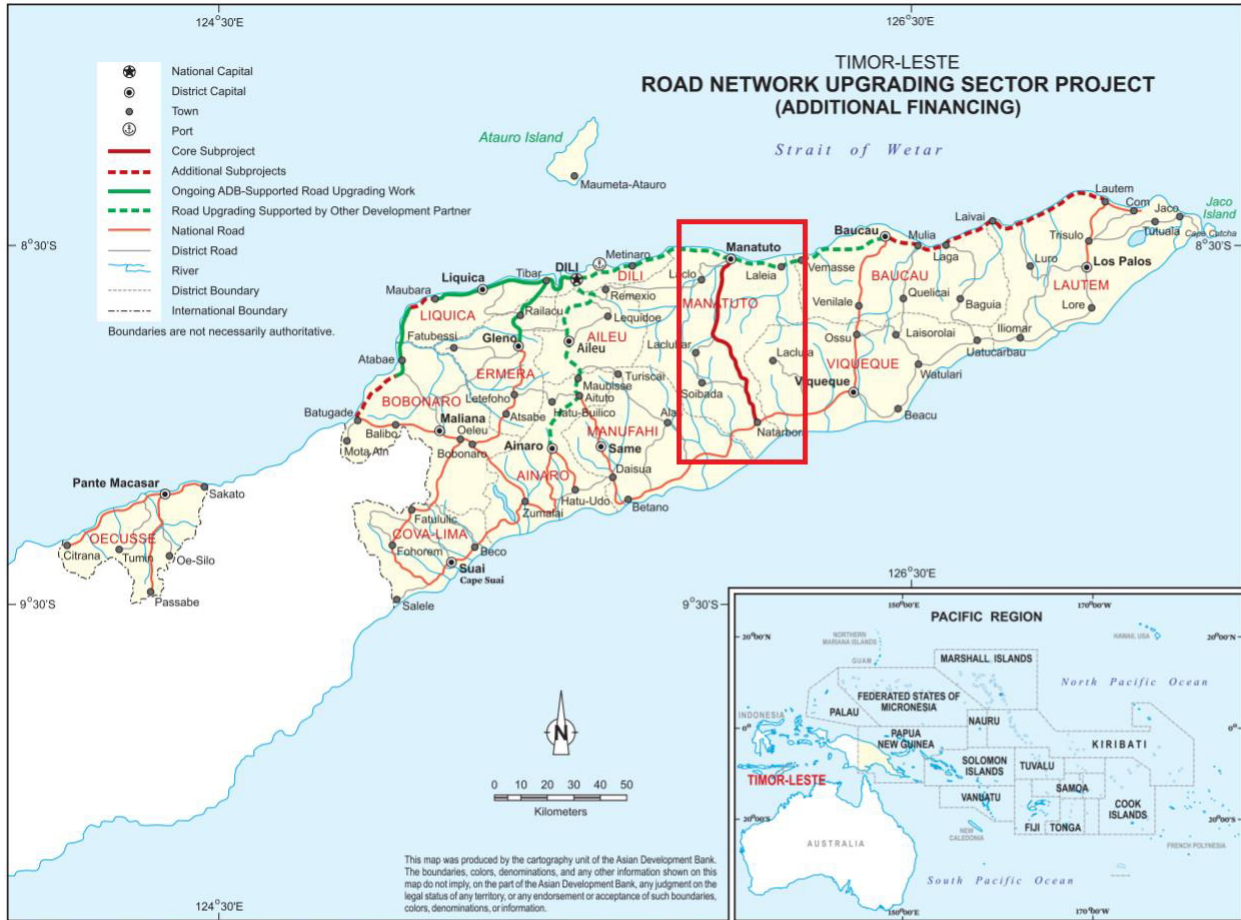
Location Name (Name of the geographic locations in which the activity is taking place.)	Latitude (WGS84 Format)	Longitude (WGS84 Format)	GEO Name ID	Location Description (Text description that qualifies in a sentence or so the location in which an activity is taking place, such as for example “mini-grid energy system” or “park ranger site”.)	Activity Description (Text description that qualifies in a sentence or so the activity taking place at the location, for example, “Installing a mini-grid energy system”.)
Manatuto	S 8° 43' 0"	E 125° 57' 0"	Manatuto		Upgrading and Maintenance of Manatuto-Laclubar Junction (Sta. 65+235 to Sta. 100+355)
Laclubar Junction	S 8° 44' 59"	E 125° 54' 42"	Laclubar		Upgrading and Maintenance of Laclubar Junction - Natarbora (Sta. 100+360 to Sta. 144+955)
Natarbora	S 8° 58' 46"	E 126° 3' 3"	Natarbora		

Project map and coordinates

Provide any additional geographic information, including through image files representing maps. This textbox should also be used to explain possible unavailability of geographic coordinates. Agencies may also upload attachments as appropriate such as in the case of locations presented along geometric shapes in popular formats like shapefiles, KML and GeoJSON. Note that geometric shapes can be uploaded separately.

Please refer to Figure 1 below for the location of Manatuto – Natarbora road section.

Figure 1. Project Map



Source: Road Network Upgrading Sector Project Report and Recommendation of the President
(<https://www.adb.org/sites/default/files/project-document/176528/46260-003-rrp.pdf>)

PROJECT MINOR CHANGE IN SCOPE/MINOR AMMENDMENTS

Minor amendments are changes to the project design or implementation that do not have significant impact on the project objectives or scope, or an increase of the GEF project financing up to 5% as described in Annex 9 of the Project and Program Cycle Policy Guidelines.

Please tick each category for which a change occurred in the fiscal year of reporting

- Results framework
- Components and cost
- Institutional and implementation arrangements
- Financial management
- Implementation schedule
- Executing Entity
- Executing Entity Category
- Minor project objective change
- Safeguards
- Risk analysis
- Increase of GEF project financing up to 5%
- Co-financing
- Location of project activity
- Other

Provide a description of the change that occurred in the related pop-up textbox. You may attach supporting document as appropriate within this PIR module.

The last change with regard to the project’s institutional and implementation arrangements, and implementation schedule was reported in the project’s 2022 Project Implementation Report.

ADB is waiting for Government of Timor-Leste’s formal letter to (i) cancel its earlier request to utilize \$0.54 million for consulting services to update the FS and prepare the DED for a new Lamara Bridge; and (ii) other proposal/s to utilize uncommitted grant proceeds.

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	Revised Implementation End (mm/dd/yy)	31/12/2023
	15	Actual Implementation End (mm/dd/yy)	N/A
	16	Expected Financial Closure Date (mm/dd/yy)	30/04/2024
17	Actual Financial Closure Date (mm/dd/yy)	N/A	
3. Funding	18	PPG/PDF Funding (USD)	None
	19	GEF Grant (USD)	\$4.50 million
	20	Total GEF Fund Disbursement as of 30 June 2023(USD)	\$2.91 million
	21	Confirmed Co-Finance at CEO Endorsement (USD)	
	21	Materialized Co-Finance at project mid-term (USD)	
	22	Materialized Co-Finance at project completion (USD)	
4. Evaluations	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)	N/A
		Midterm Tracking Tool	
		Terminal Evaluation Tracking Tool	

II. Project Implementation

A. Project Description:

(Please provide project description. Maximum 1 page)

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:

(Please provide information supporting your IP Rating. Describe the overall implementation of the projects including output and activities of the project. Identify issues faced by the project and planned course of action including any changes in scope)

The implementation progress of the project was rated as *satisfactory*, as all civil works have been completed despite some implementation delays.

Civil works contract for the road section from Manatuto to Laclubar Junction was awarded to RD Interior Jr., Construction and Hebel Road and Bridge Group Co. Ltd., Joint Venture and works commenced on 15 January 2015. The construction progress was hampered by heavy rainfalls, shortage of local workers, and delay in issuance of working visa for foreign experts/workers. After a total of 1.5 years delay, construction was completed on 25 December 2018. The defects liability period was extended until 14 September 2020 due to repair of damaged areas and was immediately followed by the performance-based maintenance period from 15 September 2020 until 15 September 2022.

The Laclubar Junction to Natarbora road section contract was awarded to China Nuclear Industry 22nd Const. Co., Lda. Construction commenced on 16 March 2015. Civil works progress was affected by the same issues experienced by the contractor of Manatuto to Laclubar Junction road section. In addition, the performance of the contractor's project manager was poor which required replacement. Construction was completed on 8 November 2019, 1.67 years or 20 months after the original completion date of 28 February 2018. The defects liability period ended on 8 November 2020. PBM period is expected to be completed on 8 November 2023.

In June 2022, upon the request of the government, the grant closing date was extended from 30 June 2022 to 31 December 2023 to (i) accommodate the proposed consulting services for the FS update and DED preparation of a new Lamara Bridge, and (ii) align with the proposed extension of extension of Loans 3020-TIM and 3021-TIM as Grant 0404-TIM finances 4.7% of the civil works contracts for Manatuto to Natarbora road section. The extension will also provide enough time for government to settle remaining outstanding payments to contractors and CSC, and settle outstanding safeguards issues. As earlier mentioned, ADB is waiting for Government of Timor-Leste's formal letter to (i) cancel its earlier request to utilize \$0.54 million for consulting services to update the FS and prepare the DED for a new Lamara Bridge; and (ii) other proposal/s to utilize uncommitted grant proceeds.

a. GEF Grant Disbursement

(Please provide information on the reasons for any delays in the project disbursements for GEF grants, including delays in first disbursement more than 3 months after ADB Board approval for TAs or 3 months after loan effectiveness).

Total disbursements up to 30 June 2023 amount to about \$2.91 million (i.e., \$2,906,929.69 to be exact from \$2,726,536.66 in the same period in 2022. This is equivalent to about 64.6% of total grant value.

The total undisbursed amount for the two civil works' contracts financed by Grant 0404-TIM is at \$380,193.32 comprising \$198,927.05 for Manatuto-Laclubar Junction road section civil works contract, and \$181,266.27 for Laclubar Junction to Natarbora road section civil works contract.

b. Stakeholders Engagement

(Please provide a brief update on 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.

c. Gender Action Plan Implementation Status

(Please provide a brief update on the status of the implementation of Gender Action Plan (if applicable), including output and activities of the project. Provide highlights and issues regarding implementation). You may also provide link to the GAP update covering PIR Period

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 have been successfully implemented. Women's participation in labor-based work was not achieved as construction work is more associated with men rather than with women despite the contractor and CSC approaching the women in the construction site. The communities expect women to engage in domestic work rather than construction work.

d. Social and Environmental Safeguard Plan Implementation Status

(Please provide a brief update on the status of the implementation of the following:

- 1) Overall status of Safeguards implementation - Environmental Management Plan; Involuntary Resettlement Plan and Indigenous People's Plan. (Provide brief summary and/or link to safeguards monitoring report)
- 2) Status of loan covenant compliance related to Safeguards
- 3) Corrective actions if any.

Social Safeguards. 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 works period. MPW is expected to submit the resettlement completion report to ADB within Q3 2022.

Environmental Safeguards. The civil works were completed at the end of 2018 and 2019 and currently under PBM contract.

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

(Please describe the overall rating in achieving its major GEB/DO in particular. Include information on the status progress and achievements of key indicators as reflected in the Projects Result Framework. The GEB should cover only those relevant to the project, as set out in the DMF and/or GEF Approval document.

Provide where available substantive indicator based on the projects Monitoring and Evaluation System.

In the case that the project is at an early stage of the implementation, provide general comments on achieving its overall objectives.)

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 2018 and 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. PBM contract for Manatuto-Laclubar Junction ended in September 2022 while PBM for Laclubar Junction-Natarbora is still in effect.

The International Bio-Engineering Specialist prepared the watershed and protection plan for areas along the road.

D. Risk Rating:

(Please provide explanation for Risk rating. Highlight in particular any specific risks relating to any of the GEBs relevant to the project. In the case of projects with HR, SR and MR, provide details of any planned/ undertaken risk management or corrective activities.) Please also discuss impacts of the current pandemic.

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:

Additional comments, including any specific achievements, innovations, good practices and lessons learned.

The involvement of a Bio-Engineering Specialist provided 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:

- 1) Provide an update and targets achieved on Knowledge Activities that were conducted based on the activities identified in the CEO Endorsement Document.
- 2) List the Knowledge Management Materials that have been prepared during the reporting period (1 July 2020 to 30 June 2021) – Title, date and links to documents; websites or blogs
- 3) List the proposed Knowledge Management Materials

Earlier in the project implementation, MPW/PMU attempted to engage the services of a Climate Change Advisor/Specialist (international) but was not successful due to lack of interest applicants. MPW is still interested to pursue the recruitment of the consultant to provide services for the remaining implementation period of the grant. The Climate Change Adviser/Specialist is 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. MPW/PMU will also be recruiting a replacement National Bio-Engineering and Watershed Management and Technical Officer following resignation of the consultant effective 30 June 2022.

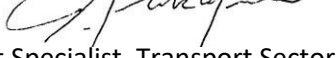
H. Location Data:

Indicate where the project is located/where the project will take place. This includes Feature Name, Feature ID, Latitude and Longitude (in decimal degrees). Please use www.geonames.org if possible. Please use the finest scale available for the location(s). If you prefer to provide a GIS shapefile you may do that instead.


(PROCEED TO PART VII and PART VIII; ANNEX A and ANNEX B)

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: Takeshi Fukayama 
Position: Principal Transport Specialist, Transport Sector Office, Sectors Group
Date: 15 August 2023

Endorsed by:

Dong-Kyu Lee 
Officer-in-Charge, Project Administration, Transport Sector Office,
Sectors Group; and
Director, Transport Sector Office, Sectors Group

ANNEX B. Project Contacts

<p>ADB Project Officer Division and Department Email</p>	<p>Takeshi Fukayama Transport Sector Office, Sectors Group tfukayama@adb.org</p>
<p>EA Project Officer Name and Agency Email</p>	<p>CAFI (Council for the Administration of the Infrastructure Fund) Ms. Odete Vitor Da Costa, Head, Major Projects Secretariat odetedacosta@hotmail.com</p>
<p>Co-Implementing Partner Name and Agency Email</p>	<p>Ministry of Public Works (formerly Ministry of Public Works, Transport and Communications), Government of Timor-Leste H.E. Abel Pires da Silva, Minister, Ministry of Public Works H.E. Nicolau Lino Freitas Belo, Vice-Minister, Ministry of Public Works not available</p>
<p>Project Coordinator/Manager Name and Agency Email</p>	<p>Project Management Unit (under Ministry of Public Works) Mr. Diogo A. Pereira, Project Manager d.pereira080786@gmail.com</p>

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.