

ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)

(This report covers implementation period from July1,2022 to June30,2023 including recently closed projects covering the reporting period)

ADB Official Project Title: Water Supply and Sanitation Investment Project

ADB Project Number: 53395-001

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

Development Objective Rating (DO): Satisfactory (S): The project is moving forward. The project supervision consultant contract was awarded in Q4 2022, and the civil works detail engineering design were completed in Q2 2023, which will allow the project to achieve most of its major global environmental objectives.

Implementation Progress Rating (IP): The project supervision consultant contract was awarded in Q4 2022. The implementation of most components will be in compliance with the original plan.

Risk Rating: Low Risk (L).

Information on Progress, challenges and outcomes on project implementation activities

The project was endorsed by GEF on 9 February 2016 as co-financing associated with the ADB “Urban Services Improvement Project” loan (2015) for Timor-Leste. The GEF project aimed at increasing the climate resilience of communities in Dili by ensuring sustainable and climate proof water supply, with the Ministry of Public Works, Transport and Communications (MoPWTC) as GEF Executing Partner.

Since then, the Government decided to cancel the loan, and on 6 August 2021 signed a new “Water Supply and Sanitation Investment Project” loan with ADB for \$47.0 million. The new loan will focus on enhancing water supply and sanitation services and providing infrastructure that will facilitate long-term sustainable and economic growth, in “secondary cities”, which include Lospalos, Viqueque, and Same. The Executing Partner would remain the same (now called Ministry of Public Works).

The Government of Timor-Leste applied the GEF grant to these new project areas and retained very similar outcomes and outputs to those originally proposed for Dili. The disbursement of the GEF grant are expected to start in Q3 2023, since the contract for the project supervision consultants has been awarded in Q4 2022.

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

Environment and social safeguards activities are expected to start in Q3 2023 since the project supervision consultant contract was awarded in Q4 2022.

Information on Progress, challenges and outcomes on stakeholder engagement

Stakeholder engagement activities are expected to start in Q3 2023 since the project supervision consultant contract was awarded in Q4 2022.

Information on Progress on gender-responsive measures

Gender-responsive measures are expected to start in Q3 2023 since the project supervision consultant contract was awarded in Q4 2022.

Knowledge activities/ Products

- Communication strategy and action plan that fully incorporates climate change resilience.

- Awareness campaigns for water usage, sanitation, hygiene, and the potential impacts of climate change.
- Knowledge management products (lessons learned, websites, etc).

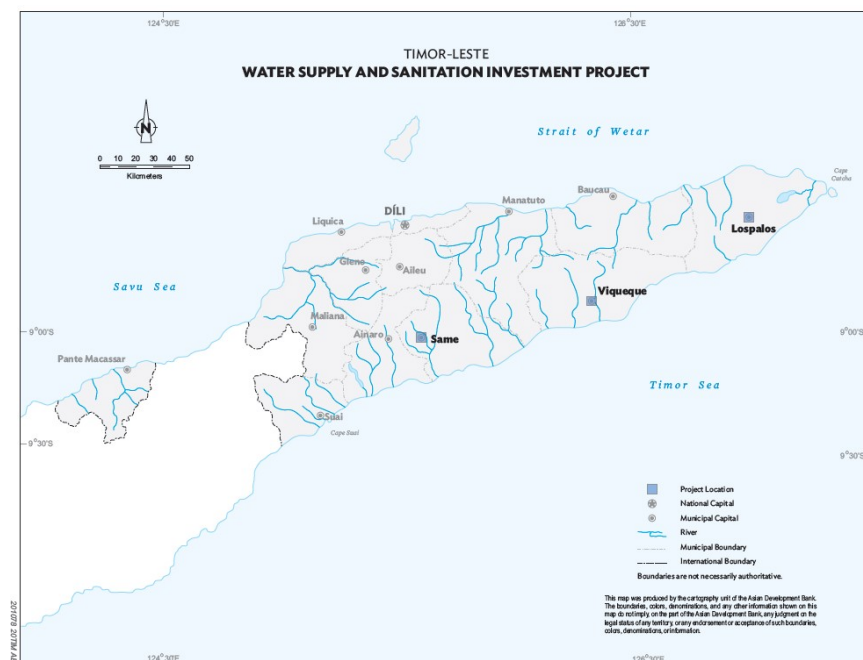
Grievances

To date, no project grievances/complaints have been reported.

GEO LOCATION INFORMATION

Location Name	Latitude	Longitude	GEO Name ID	Location Description	Activity Description
Lospalos City	- 8° 31' 7 00" S	127° 00' 9 00" E		Lospalos city urban area	(i) construction of 3 water supply storage and 3 treatment facilities; (ii) rehabilitation and expansion of 53 km of water supply distribution network and formation of district metered areas; (iii) installation of meters for 4,000 household connections; and (iv) construction of 4 public toilets and 1 septage treatment facilities
Viqueque City	-8° 50' 59 99" S	126° 21' 59 99" E		Viqueque city urban area	(i) construction of 4 water supply storage and 1 treatment facilities; (ii) rehabilitation and expansion of 28 km of water supply distribution network and formation of district metered areas; (iii) installation of meters for 3,000 household connections; and (iv) construction of 4 public toilets and 1 septage treatment facilities
Same City	-9° 00' 20 92" S	125° 38' 46 21" E		Same city urban area	(i) construction of 7 water supply storage and 3 treatment facilities; (ii) rehabilitation and expansion of 49 km of water supply distribution network and formation of district metered areas; (iii) installation of meters for 3,000 household connections; and (iv) construction of 4 public toilets and 1 septage treatment facilities

Project map and coordinates



PROJECT MINOR CHANGE IN SCOPE/MINOR AMMENDMENTS

- ☐ 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

NONE

FOR SCCF/LDCF INDICATORS:

Total Number of Beneficiaries	Male: 31,000 Female: 31,000
Ha of land better managed to withstand the effects of climate change	TBD
No. of risk and vulnerability assessments, and other relevant scientific and technical assessments carried out and updated	1 Climate Risk and Vulnerability Assessment
No. of people trained to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	TBD
No. of regional, national and sub-national institutions with strengthened capacities to identify, prioritize, implement, monitor and/or evaluate adaptation strategies and measures	Ministry of Public Works (MPW); the Municipal Water, Sanitation, and Environment Services (SMASAs); the state-owned water utility, Bee Timor-Leste (BTL)
Contribute towards public awareness of climate change impacts, vulnerability and adaption (Tick if relevant)	√
Expand access to improved climate information services (Tick if relevant)	√
Expand access to improved climate related early-warning information (Tick if relevant)	Not applicable
No. of regional, national and sector-wide policies, plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	Not applicable
No. of sub-national plans and processes developed or strengthened to identify, prioritize and integrate adaptation strategies and measures	1 Socially and gender-inclusive institutional development road map. 1 Service delivery guidelines on water supply. 1 Sanitation action plan for citywide inclusive sanitation

II. Project Profile

1. General Information	1	GEF ID	9052
	2	Focal Area(s)	Water Supply and Sanitation
	3	Region	Southeast Asia
	4	Country	Timor-Leste
	5	GEF Project Title	Enhancing Climate Resilience of the Urban Services Sector in Timor-Leste
	6	Project Size (FSP; MSP)	FSP
	7	Trust Fund (GEFTF; SCCF; LDCF)	LDCF
2. Milestone Dates	8	GEF CEO Endorsement Date (mm/dd/yy)	02/09/16
	9	ADB Approval Date if the GEF Fund (mm/dd/yy)	11/09/21
	10	GEF Grant Signing of the GEF Fund (mm/dd/yy)	08/06/21
	11	Implementation Start Date of the Project and of the GEF Component (mm/dd/yy)	11/09/21
	12	Date of 1st GEF Grant Disbursement (mm/dd/yy)	
	13	Final date of GEF Grant Disbursement (mm/dd/yy)	
	14	Proposed/Revised Implementation End (mm/dd/yy)	
	15	Actual Implementation End (mm/dd/yy)	09/30/2028
	16	Expected Financial Closure Date (mm/dd/yy)	03/31/2029
3. Funding	17	Actual Financial Closure Date (mm/dd/yy)	
	18	PPG/PDF Funding (USD)	
	19	GEF Grant (USD)	\$3,000,000
	20	Total GEF Fund Disbursement as of 30 June 2021(USD)	Not applicable yet
	21	Confirmed Co-Finance at CEO Endorsement (USD)	\$3,000,000
	21	Materialized Co-Finance at project mid-term (USD)	Not applicable yet
4. Evaluations	22	Materialized Co-Finance at project completion (USD)	Not applicable yet
	23	Proposed Mid-term date (mm/dd/yy)	Not applicable yet
	24	Actual Mid-Term date - if applicable (mm/dd/yy)	Not applicable yet
	25	Proposed Terminal Evaluation date (mm/dd/yy)	Not applicable yet
	26	Actual Terminal Evaluation Date (mm/dd/yy)	Not applicable yet
	27	Tracking Tools Required (Yes/No/ Focal Area TT)	Not applicable yet
	28	Tracking Tools Date - if applicable (mm/dd/yy) Midterm Tracking Tool Terminal Evaluation Tracking Tool	

III. Project Implementation

A. Project Description:

The project is aligned with the following impact: 100% water supply and sanitation service coverage by 2030 (footnote 2). The project will have the following outcome: inclusive and sustainable access to water supply and sanitation services in project cities achieved.

Output 1: Regulatory environment improved. The project will support the project cities in developing a socially and gender-inclusive institutional development road map that will guide the transfer of urban water supply and sanitation functions of the SMASAs to BTL, the newly established state-owned utility.¹ The road map will identify information and communication technology and other digital solutions to improve efficiency in public service management. 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.²

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 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 facilities.

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 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 female and male water services employees. To monitor institutional effectiveness, the project will develop and implement customer service feedback and complaint 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.

B. Implementation Progress (IP) Rating: The project supervision consultant contract was awarded in Q4 2022. The implementation of most components will be in compliance with the original plan.

a. GEF Grant Disbursement

Disbursements of the GEF grant are expected to start Q3 2023, since the project supervision consultant contract was awarded in Q4 2022.

b. Stakeholders Engagement

As part of the project preparation, the project team undertook field visits; held meaningful consultations, focus groups, and participatory discussions with the project beneficiaries including

¹ The institutional development road map will cover key aspects of planning, service delivery, and financial management, and identify solutions that will be implemented over the project period.

² 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.

the poor, potentially affected households, community leaders, city authorities, and civil society organizations; and disseminated information on the grievance redress mechanism to be implemented. Consultations will continue throughout project implementation.

Stakeholders engagement activities are expected to commence in Q3 2023, since the project supervision consultant contract was awarded in Q4 2022.

c. Gender Action Plan Implementation Status

The project is categorized effective gender mainstreaming and a gender action plan has been prepared. The project's gender features will include developing a socially and gender-inclusive institutional development roadmap for each of the project cities that will ensure (i) equitable access to employment and training for both men and women, (ii) development and monitoring of customer service feedback and complaint procedures, (iii) strengthened community capacity in water use and conservation, and (iv) customer service and service delivery protocols that respond to the needs and concerns of both male and female clients. Project implementation will be supported by social and gender specialists within the project supervision consultant team and a gender focal point at the Ministry of Public Works.

Gender action plan activities are expected to commence in Q3 2023, since the project supervision consultant contract was awarded in Q4 2022.

d. Social and Environmental Safeguard Plan Implementation Status

In compliance with ADB's Safeguard Policy Statement (2009), the project's safeguard categories are as follows:

Environment (category B). Three initial environmental examinations (IEEs) and corresponding environmental management plans (EMPs) have been prepared for the project in accordance with ADB's Safeguard Policy Statement (2009) and government laws and regulations. These were disclosed on ADB's website. The IEEs and corresponding EMPs were based on preliminary outcomes of the DEDs. Stakeholder consultations were conducted during project preparation. It is expected that the three project sites will experience short-term, localized impacts during construction, which will be site-specific and reversible, and can be avoided, minimized, or mitigated to an acceptable level with good construction practices and mitigation measures as defined in the EMPs and the corresponding site-specific construction EMPs (CEMPs) to be prepared and implemented by the contractors. The EMPs will be included in the bidding documents, and respective CEMPs will be prepared accordingly. Civil works will commence only after domestic national environmental clearances have been secured.

Involuntary resettlement (category B). A resettlement and ethnic group development plan (REGDP) has been prepared for each project city in accordance with ADB's Safeguard Policy Statement (2009) and government laws and regulations and disclosed on ADB's website. The project will acquire land (customary, residential, and government-owned). It will also impact secondary structures and productive assets such as fruit trees and crops of 22 affected households in the three project cities, with one household severely affected. A socioeconomic survey of all affected persons was carried out and a detailed inventory of loss was developed. No economic displacement is anticipated. Appropriate construction methodologies will minimize disturbances and contractors will be

responsible for reinstatement of any damages during construction. The upgraded REGDPs based on the DED, approved by the government and cleared by ADB, shall be included in the bidding documents and disclosed prior to contract award. Compensation and allowances shall be provided prior to the commencement of works.

Social and environmental safeguards activities are expected to commence in Q3 2023, since the project supervision consultant contract was awarded in Q4 2022.

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

Not applicable yet.

D. Risk Rating:

Not applicable yet.

E. Overall Rating of the Project:

Not applicable yet.

F. Additional Comments – Good Practices And Lessons Learned:

Not applicable yet.

G. Knowledge activities / products:

1. Communication strategy and action plan that fully incorporates climate change resilience.
2. Awareness campaigns for water usage, sanitation, hygiene, and the potential impacts of climate change.
3. Knowledge management products (lessons learned document, websites, etc.).

H. Location Data:

Project Sites	Country	Latitude	Longitude
Lospalos City	Timor-Leste	- 8° 31' 7 . 00 " S	127° 00' 9 . 00" E
Viqueque City	Timor-Leste	-8° 50' 59 . 99 " S	126° 21' 59 . 99" E
Same City	Timor-Leste	-9° 00' 20 . 92 " S	125° 38' 46 . 21" E

Signature:

Name of Project Officer: Tiago Ribeiro

Position: Senior Urban Development Specialist

Date: August 15, 2022

Endorsed by:

Division Director :

ANNEX A. Project Contacts

ADB Project Officer: Tiago Ribeiro

Division and Department: Pacific and South East Asia Team; Water and Urban Development Sector Office

Email: tribeiro@adb.org

EA Project Officer: Odete da Costa

Name and Agency: Administrative Council of the Infrastructure Fund

Email: odetedacosta@hotmail.com

ANNEX B: 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.