



Project Administration Manual

Project Number: 51115-001
January 2018

Democratic Republic of Timor-Leste: Baucau to
Viqueque Highway Project

ABBREVIATIONS

ADB	=	Asian Development Bank
ADF	=	Asian Development Fund
AFS	=	audited financial statements
CQS	=	consultant qualification selection
DMF	=	design and monitoring framework
EARF	=	environmental assessment and review framework
EIA	=	environmental impact assessment
EMP	=	environmental management plan
ESMS	=	environmental and social management system
GACAP	=	governance and anticorruption action plan
GDP	=	gross domestic product
ICB	=	international competitive bidding
IEE	=	initial environmental examination
IPP	=	indigenous people plan
IPPF	=	indigenous people planning framework
LAR	=	land acquisition and resettlement
LIBOR	=	London interbank offered rate
NCB	=	national competitive bidding
NGOs	=	nongovernment organizations
PAI	=	project administration instructions
PAM	=	project administration manual
PIU	=	project implementation unit
QBS	=	quality based selection
QCBS	=	quality- and cost based selection
RRP	=	report and recommendation of the President to the Board
SBD	=	standard bidding documents
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 executing and implementing agencies 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 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 agreements. 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 agreement, the provisions of the loan 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.

^a The name of the operational financing document may vary on a project-to-project basis; this reference shall be deemed to encompass such variations, e.g., a Framework Financing Agreement, as applicable

I. PROJECT DESCRIPTION

1. The project will (i) upgrade 58 km of national roads between Baucau and Viqueque, with considerations for better resilience to climate change and social inclusive design, (ii) develop a comprehensive road maintenance strategy and plan for institutions responsible for routine and periodic maintenance of the national road network, and (iii) draft legislation to establish a National Land Transport Authority. The project supports continuing efforts of the Asian Development Bank (ADB) and other development partners upgrade and sustain the country's national road network.

2. The 58 km long cross-island road from Baucau to Viqueque is an important national corridor linking the districts of Viqueque and the south coast of Lautem to Baucau, and to the capital, Dili. The existing road is generally 4.5 m wide, mostly unsealed and in poor condition, and takes up to 11 hours to commute between Dili and Viqueque in public transport. Substantial reductions in travel time and vehicle operating costs are expected from upgrading the road, leading to improved road safety and better access to markets, health clinics, schools and other community services.

3. **Value added by ADB assistance.** There are various initiatives by development partners to address road maintenance. However, these efforts have largely been fragmented and driven primarily by development partners' individual technical assistance and capacity support programs. The project will initiate a comprehensive strategy and plan for road maintenance and strengthen the existing DRBFC maintenance unit. It is envisaged that this strategy and plan will formulate a long term programmatic approach, with an objective to establish an effective institutional framework and capacity within MPTWC that will be in a stronger position to eventually take full ownership for routine and periodic maintenance, and emergency work. It also aims to coordinate all efforts by development partners, to avoid duplication of effort and complement ongoing initiatives focused on sustaining the national road network. An initial concept proposal has been discussed with the government.¹

4. **Impact and Outcome.** The project is aligned with the following impact: increased and more efficient movement of people and goods (footnote 4). The project will have the following outcome: improved road transport connectivity and reduced travel time along the crucial north-south land transport link from Dili to Viqueque. The attached TRTA (para 20) will strengthen the project outcome to address underlying road sustainability issues not only for the proposed project but will also support comprehensive road maintenance strategy, plan and systems development in coordination with other donors and will prepare an ensuing ADB funded program for road maintenance.

5. The Project has two outputs:

- (i) **Output 1: Improved Baucau to Viqueque National Road.** The project will finance civil works to upgrade 58 km of national roads between Baucau and Viqueque, including widening the existing 4.5 m wide road to 6.0 m with 1.0 m shoulders, with associated road safety furniture and signage. The improved road will be more resilient to increased rainfall, due to improved drainage, raising of the road in flood-prone areas, resilient asphalt pavement surfacing, and general application of best engineering practice. It will also finance sheltered bus stops

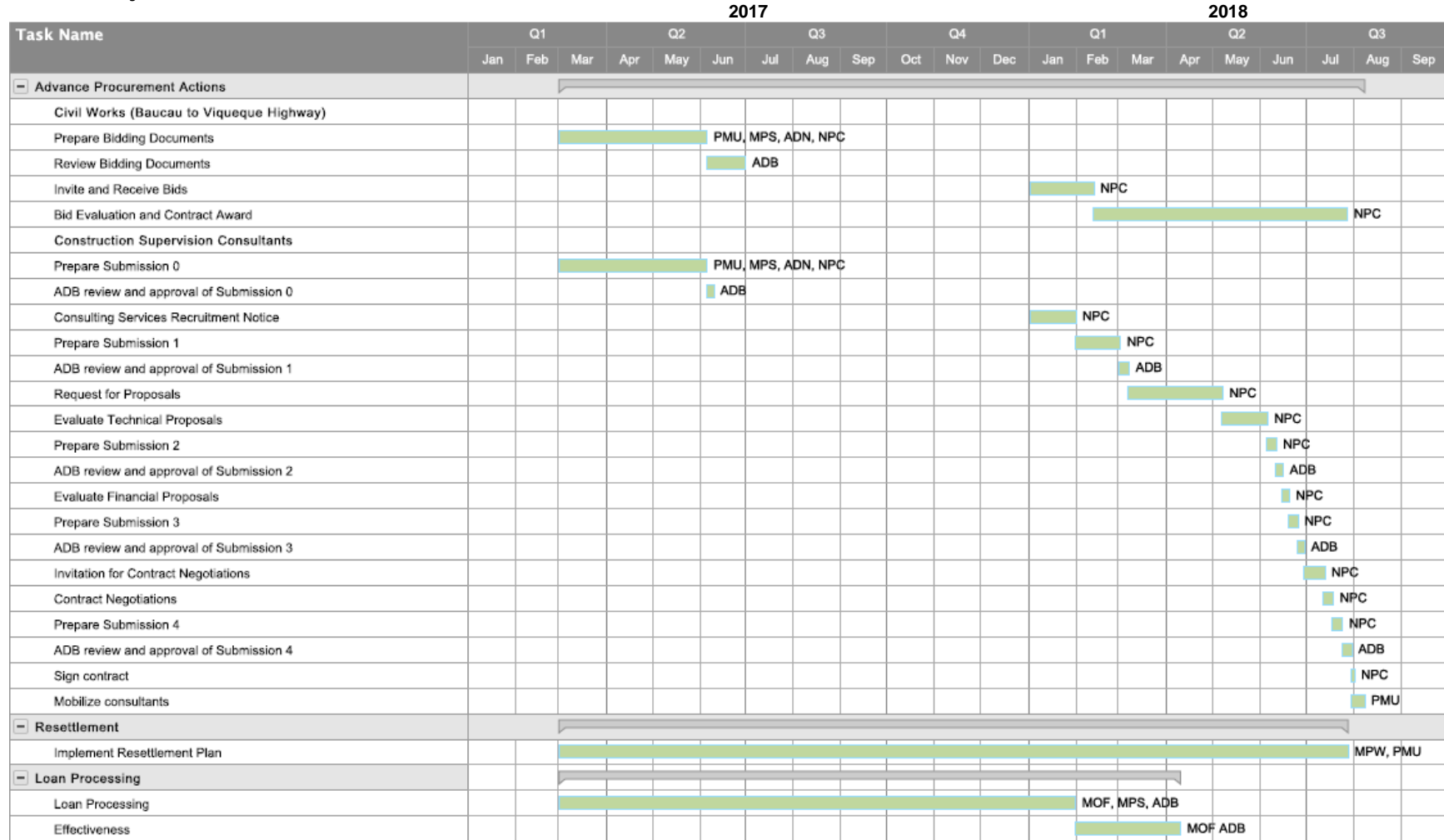
¹ Supplementary Appendix – Initial Concept Proposal for Road Maintenance (accessible from the list of linked documents in Appendix 2).

with lights at junctions of key feeder roads, inclusion of appropriately located public toilets, and improved access to drinking water for communities.

- (ii) **Output 2: Institutional Strengthening and Capacity.** The PMU will continue to manage projects financed by the government's partners. The PMU will provide capacity building to seconded staff from DRBFC to ensure skills are transferred with an objective that externally funded consultants to staff the PMU will be eventually phased out and replaced with the government's own resources. Construction supervision will ensure that output 1 is constructed in accordance with detailed design and contract documentation. The project will also provide institutional strengthening and capacity building in the areas of internal audit.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities



Note: Chart commencement date on 1 March 2017
 Source: Asian Development Bank , Government of Timor-Leste

B. Overall Project Implementation Plan

Task Name	2018				2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Construction																
1.1 Civil works contracts for the upgrading of Baucau to Viqueque Highway																
1.2 Awareness and education campaigns are conducted for road-side communities and schools																
2. Improved maintenance planning and asset management																
2.1 Undertake review of maintenance arrangements of national road network																
2.2 Formulate institutional roadmap for DRBFC maintenance division																
2.3. 3 year action plan for inventory and condition survey																
2.4 Recommend asset management system																
2.5 Finalize DRBFC maintenance division road asset management plan																
3. Draft legislation and regulation for Land Transport Authority																
3.1 Finalize road traffic legislation and associated regulations																
3.2 Form an establishment committee for the Land Transport Authority																
4.3 Develop Land Transport Authority operating systems, policy and procedure manuals, training																
Project Management Activities																
Maintain project management unit capacity for management of overall development partner national road upgrading program																
Monitor implementation of environmental management plan																
Monitor performance of supervision consultant and contractors																
Gender Action Plan key activities																
Communication Strategy key activities																
Mid-Term Review																
Project Completion Report																

Source: Asian Development Bank , Government of Timor-Leste

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Project implementation organizations	Management Roles and Responsibilities
<ul style="list-style-type: none"> • Executing agency Commission for the Administration of the Infrastructure Fund 	<ul style="list-style-type: none"> ➤ Responsible for overall project management and implementation. ➤ Manage provision of counterpart funding and loan proceeds in respect of government's internal procedures ➤ Ensure the compliance with loan covenants. ➤ Ensure submission of audits required by ADB ➤ Overall supervision of, and responsibility for, safeguards implementation ➤ Support ADB project review missions.
<ul style="list-style-type: none"> • Ministry of Planning and Finance 	<ul style="list-style-type: none"> ➤ Responsible for negotiating the loan agreements with the financing institution ➤ Provide agreement on reallocation of loan proceeds and ensure compliance with loan covenants
<ul style="list-style-type: none"> • Major Projects Secretariat 	<ul style="list-style-type: none"> ➤ Provide technical and administrative support to the EA.
<ul style="list-style-type: none"> • National Procurement Commission 	<ul style="list-style-type: none"> ➤ On the basis of bidding documents prepared by the PMU and approved by ADB, manage procurement of civil works and consultant services ➤ Obtain the prior approval of ADB for procurement actions where such prior approval is required in the procurement plan
<ul style="list-style-type: none"> • National Development Agency 	<ul style="list-style-type: none"> ➤ Review quality of implementation including contract implementation and payments
<ul style="list-style-type: none"> • Implementing agency MDIR 	<ul style="list-style-type: none"> ➤ Maintain and strengthen, as needed, a PMU for the project, including recruiting individual consultants for, and assigning MDIR staff to the PMU; and providing office space and operational support ➤ Manage and coordinate with other stakeholders, activities related to establishing and implementing a National Road Asset Management Plan ➤ Oversee the draft legislation and regulation to establish the National Land Transport Authority ➤ Lead the establishment committee for the National Land Transport Authority

- PMU of the Ministry of Development and Institutional Reform
 - Maintain project records and accounts.
 - Support preparation withdrawal applications to ADB.
 - Support preparation and submission of any required reports, including the annual audit report and financial statements.
 - Administer the advance account
 - Prepare any subproject proposal and appraisal reports.
 - Prepare quarterly progress reports.
 - Submit to ADB a project completion report within 6 months after project completion.
 - Arrange and submit annual audit report and financial statements.
 - Support the National Procurement Commission in procurement of civil works and consulting services.
 - Monitor project implementation.
 - Implement, monitor and report on all requirements and measures as identified in the SEIS and EMP for the project
 - Monitor compliance of contractors with environmental safeguards.
 - Implement the Gender Action Plan.
 - Implement HIV/AIDS awareness plans.
 - Prepare, implement and monitor land acquisition and resettlement activities following the resettlement framework
 - Implement small-scale community development interventions
 - Supervise consultants services

- ADB
 - Finance the project expenditures in accordance with the loan agreements.
 - Review overall implementation of the project.
 - Support the EA in oversight role for safeguards implementation for the project
 - Examine implementation problems, and work with the EA to resolve them.
 - Review and respond to subproject proposals submitted by the government.
 - Review and respond to the procurement and disbursement documents submitted by the EA.
 - Advise the government on procurement, disbursement, and project implementation matters per requests of the government.
 - Monitor the status of covenants compliance by the government.
 - Review the project every 6 months and, jointly with government, undertake a midterm review of the project within about 2 years of its start.

Source: Asian Development Bank, Government of Timor-Leste

B. Key Persons Involved in Implementation

Executing Agency

Commission for the
Administration of the
Infrastructure Fund

Officer's Name	Krispin Fernandes
Position	Major Projects Secretariat
Telephone	(670)7725-3993
Email address	KFernandes@mpie.gov.tl
Office Address	Ministry of Development and Institutional Reform, Dili, Timor-Leste

ADB

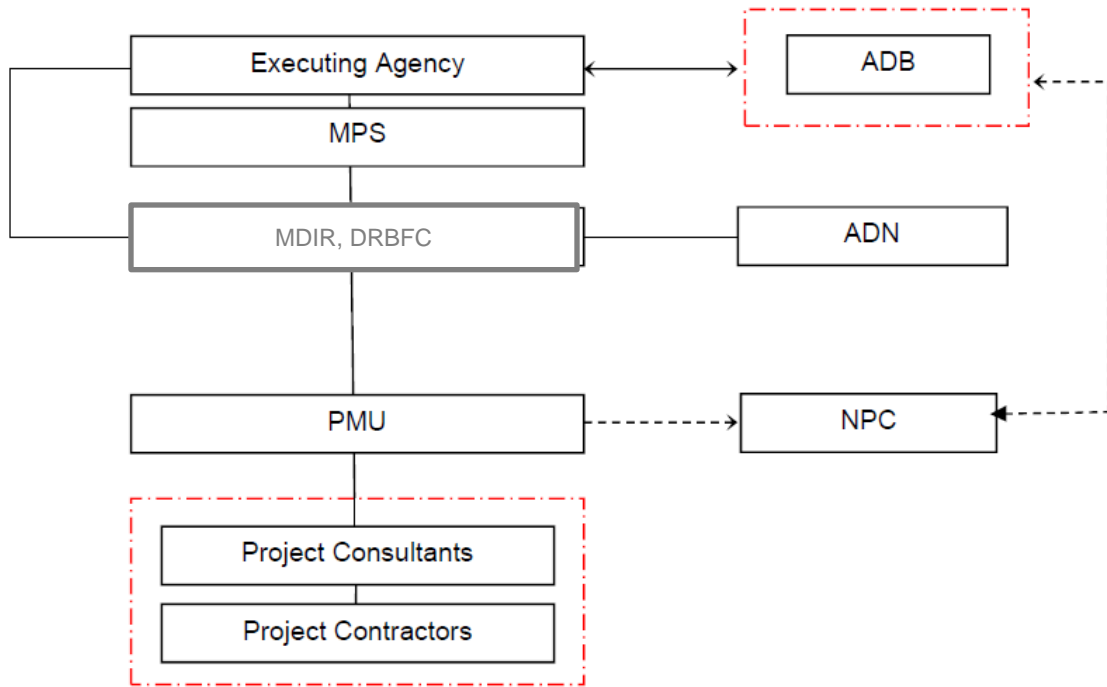
Pacific Department

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Mission Leader

Staff Name	Rustam Ishenaliev
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C. Project Organization Structure



Key:

----->	Document flow for consultant selection and procurement of civil works

- . - . - .	External entity from government

ADB=Asian Development Bank, ADN=National Development Agency, MPS=Major Project Secretariat, MPWTC=Ministry of Public Works, Transport and Communication, NPC=National Procurement Commission, PMU=project management unit.

Source: Asian Development Bank, Government of Timor-Leste

IV. COSTS AND FINANCING

6. The project is estimated to cost \$77.78 million. The ADB loans will be used for civil works, and consulting services, including the financing of taxes and duties, late payment charges imposed by suppliers and contractors (if any), and interest during construction on ADB loans. The government will finance all expenditures for land acquisition, costs for the project management unit, and civil works. The government counterpart financing will also be used for civil works, and consulting services, including the financing of taxes and duties, and late payment charges imposed by suppliers and contractors (if any).

Table 1: Project Investment Plan
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Improved Baucau to Viqueque National Road	57.93
2. Institutional Strengthening and Capacity Building	
	9.50
Subtotal (A)	67.43
B. Unallocated^c	8.94
C. Financial Charges During Implementation^d	1.41
Total (A+B+C)	77.78

^a Includes taxes and duties of \$2.73 million to be financed from government resources and Asian Development Bank loan resources. Such amount does not represent an excessive share of the project cost.

^b In mid-2017 prices as of April 2017.

^c The unallocated amount refers to contingencies. Physical contingencies computed at 10% for civil works for unforeseen expenditures, additional improvements to address climate change, road safety and social inclusiveness, and studies for future project scale up and preparation. Price contingencies computed at average of 3.03% on foreign exchange costs and 5.05% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Includes interest and commitment charges. Interest during construction for the concessional OCR loan has been computed at 2.0% per year. Interest during construction for the regular OCR loan has been computed at the 5-year US dollar fixed swap rate plus an effective contractual spread of 0.5% and maturity premium of 0.1%. Commitment charges for the regular OCR loan are 0.15% per year to be charged on the undisbursed loan amount.

Source: Asian Development Bank estimates.

A. Cost Estimates Preparation and Revisions

7. Cost estimates for civil works were developed by detailed design consultants in 2015 and have been updated to 2017 prices. Costs for land acquisition and payment for affected assets have been developed by the detailed design consultants through surveys and meaningful consultations with affected persons in the project area. Costs for project management unit, construction supervision, and advisory services were developed by the PMU and ADB based on current international market rates. Cost estimates will be reviewed annually during implementation, based on bids and proposals received for civil works and consulting services, and upon implementation of resettlement plans.

B. Key Assumptions

8. 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 4: Escalation Rates for Price Contingency Calculation

Item	2018	2019	2020	Average
Foreign rate of price inflation	1.5%	1.5%	1.5%	1.5%
Domestic rate of price inflation	2.6%	2.4%	2.3%	2.4%

Source: Asian Development Bank

C. Utilization of Contingencies

9. To finance any unforeseen shortfalls under the project, contingencies from the concessional loan will be utilized prior to contingencies from the regular OCR loan. Reallocation of contingencies to other cost categories will require prior approval by the Borrower through the Ministry of Planning and Finance, Loan and PPP Unit.

A. Detailed Cost Estimates by Expenditure Category

Item	Total Cost	% of Total Base Cost
A. Investment Costs		
1. Civil works	56.93	84.43%
2. Land acquisition and compensation	1.00	1.48%
3. Consultants		
a. Project management	2.00	2.97%
b. Supervision	7.00	10.38%
Subtotal (A)	66.93	99.26%
B. Recurrent Costs		
1. Project Management Counterpart Staff	0.50	0.74%
Total Base Cost (A+B)	67.43	100.00%
C. Unallocated		
1. Physical Contingencies	6.74	10.00%
2. Price Contingencies	2.20	3.26%
Subtotal (B)	8.94	13.26%
D. Financial Charges During Implementation		
1. Interest during construction	1.38	2.04%
2. Commitment charges	0.03	0.05%
Subtotal (C)	1.41	2.09%
Total Project Cost (A+B+C)	77.78	115.35%

Note: Numbers may not sum precisely because of rounding.
Source(s): Asian Development Bank estimates.

B. Allocation and Withdrawal of Loan Proceeds

10. Except as ADB may otherwise agree, each item of expenditure will be financed from the proceeds of the loan on the basis of the percentages set forth in the table below.

Allocation and Withdrawal of ADB Concessional Ordinary Capital Resources

CATEGORY			ADB FINANCING BASIS
Number	Item	Total Amount Allocated for ADB Financing (US\$ equivalent)	Percentage of ADB Financing from the Loan Account
	Category		
1	Works-Baucau to Venilale	18,290,000.00	78.70% of total expenditures claimed
2	Construction Supervision Consultant	4,500,000.00	64.29% of total expenditures claimed
3	Interest	760,000.00	100% of amounts due
4	Unallocated	1,450,000.00	
	Total	25,000,000.00	

* Subject to the condition for withdrawal described in paragraph 7 of Schedule 3 of the concessional loan agreement.

Allocation and Withdrawal of ADB Ordinary Capital Resources

CATEGORY			ADB FINANCING BASIS
Number	Item	Total Amount Allocated for ADB Financing (US\$ equivalent)	Percentage of ADB Financing from the Loan Account
		Category	
1	Works-Venilale to Viquequ	14,770,000.00	43.84% of total expenditures claimed
2	Construction Supervision Consultant	2,500,000.00	35.71% of total expenditures claimed
3	Interest and Commitment Charges	650,000.00	100% of amounts due
4	Unallocated	1,080,000.00	
	Total	19,000,000.00	

* Subject to the condition for withdrawal described in paragraph 7 of Schedule 3 of the regular loan agreement.

C. Detailed Cost Estimates by Financier

Item	ADB (Concessional OCR)		ADB (Regular OCR)		Government		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	
A. Investment Costs							
1. Civil works							
Package 1 (Baucau - Venilale)	18.29	78.70%	0.00	0.00%	4.95	21.30%	23.24
Package 2 (Venilale - Viqueque)	0.00	0.00%	14.77	43.84%	18.92	56.16%	33.69
2. Land Acquisition and compensation	0.00	0.00%	0.00	0.00%	1.00	100.00%	1.00
3. Consultants							
a. Project management	0.00	0.00%	0.00	0.00%	2.00	100.00%	2.00
b. Supervision	4.50	64.29%	2.50	35.71%	0.00	0.00%	7.00
Subtotal (A)	22.79	34.05%	17.27	25.80%	26.87	40.15%	66.93
B. Recurrent Costs							
1. Project management counterpart staff	0.00	0.00%	0.00	0.00%	0.50	100.00%	0.50
Total (A+B)	22.79	33.80%	17.27	25.61%	27.37	40.59%	67.43
C. Unallocated	1.45	16.21%	1.08	12.08%	6.41	71.68%	8.94
D Financial Charges During Implementation	0.76	54.02%	0.65	45.98%	0.00	0.00%	1.41
Total Project Cost (A+B+C+D)	25.00	32.14%	19.00	24.42%	33.78	43.43%	77.78
% Total Project Cost		32.14%		24.42%		43.43%	100%

Note: Numbers may not sum precisely because of rounding.

Source(s): Asian Development Bank

D. Detailed Cost Estimates by Outputs

Item	Total Cost	Output 1		Output 2	
		Improved B-V Road	% of Cost Category	Institutional Strengthening and Capacity Building	% of Cost Category
	Amount			Amount	
A. Investment Costs					
1. Civil works	56.93	56.93	100.00%	0.00	0.00%
2. Land Acquisition and compensation	1.00	1.00	100.00%	0.00	0.00%
3. Consultants					
a. Project management	2.00	0.00	100.00%	2.00	100.00%
b. Supervision	7.00	0.00	100.00%	7.00	100.00%
Subtotal (A)	66.93	57.93	86.55%	9.00	13.45%
B. Recurrent Costs					
1. Project management counterpart staff	0.50	0.00	0.00%	0.50	100.00%
Total Base Cost (A+B)	67.43	57.93	85.91%	9.50	14.09%
C. Unallocated	8.94	7.68	85.91%	1.26	14.09%
D. Financial Charges During Implementation	1.41	1.22	86.55%	0.19	13.45%
Total Project Cost (A+B+C)	77.78	66.83	85.93%	10.95	14.08%
% Total Project Cost	100%				

Note: Numbers may not sum precisely because of rounding.
Source(s): Asian Development Bank

E. Detailed Cost Estimates by Year

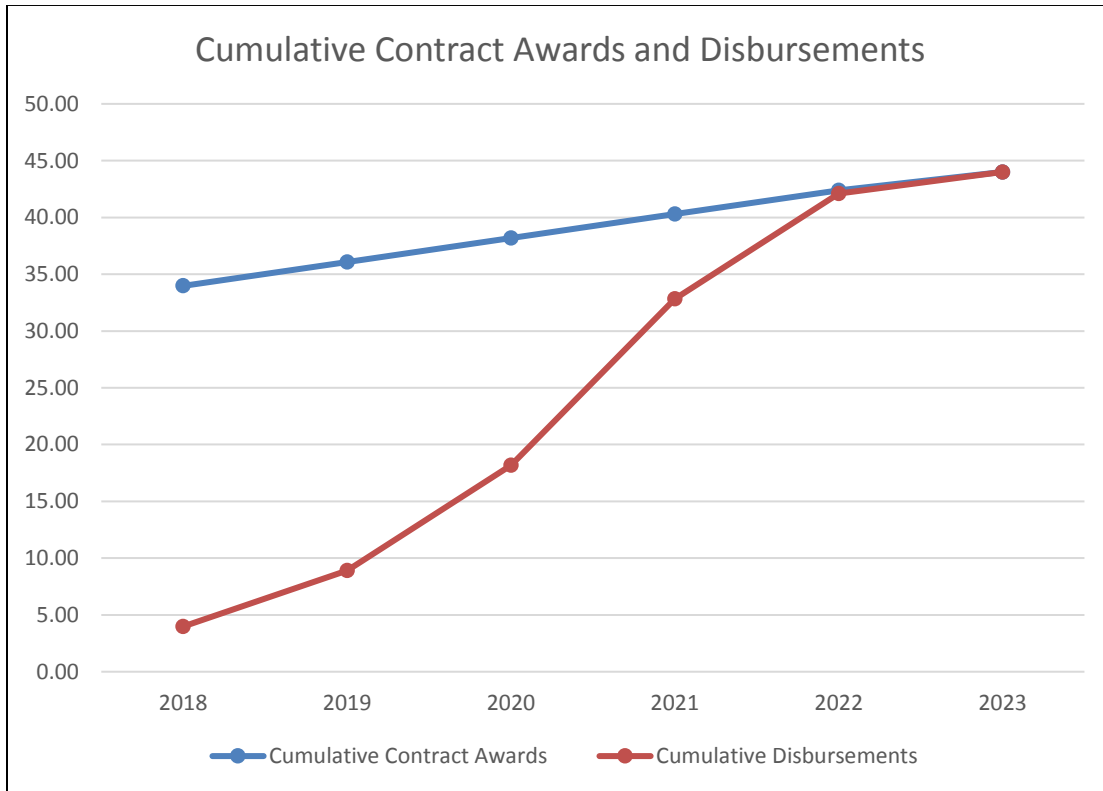
Item	Total Cost	Year 1	Year 2	Year 3
A. Investment Costs				
1. Civil works	56.93	11.39	28.47	17.08
2. Land Acquisition and compensation	1.00	1.00	0.00	0.00
3. Consultants				
a. Project management	2.00	0.00	1.00	1.00
b. Supervision	7.00	2.33	2.33	2.33
Subtotal (A)	66.93	14.72	31.80	20.41
B. Recurrent Costs				
1. Project management counterpart staff	0.50	0.17	0.17	0.16
C. Unallocated	8.94	0.00	0.00	8.94
D. Financial Charges During Implementation	1.41	0.25	0.62	0.54
Total Project Cost (A+B+C+D)	77.78	15.14	32.58	30.06
% Total Project Cost	100.00%	19.46%	41.89%	38.65%

Note: Numbers may not sum precisely because of rounding.

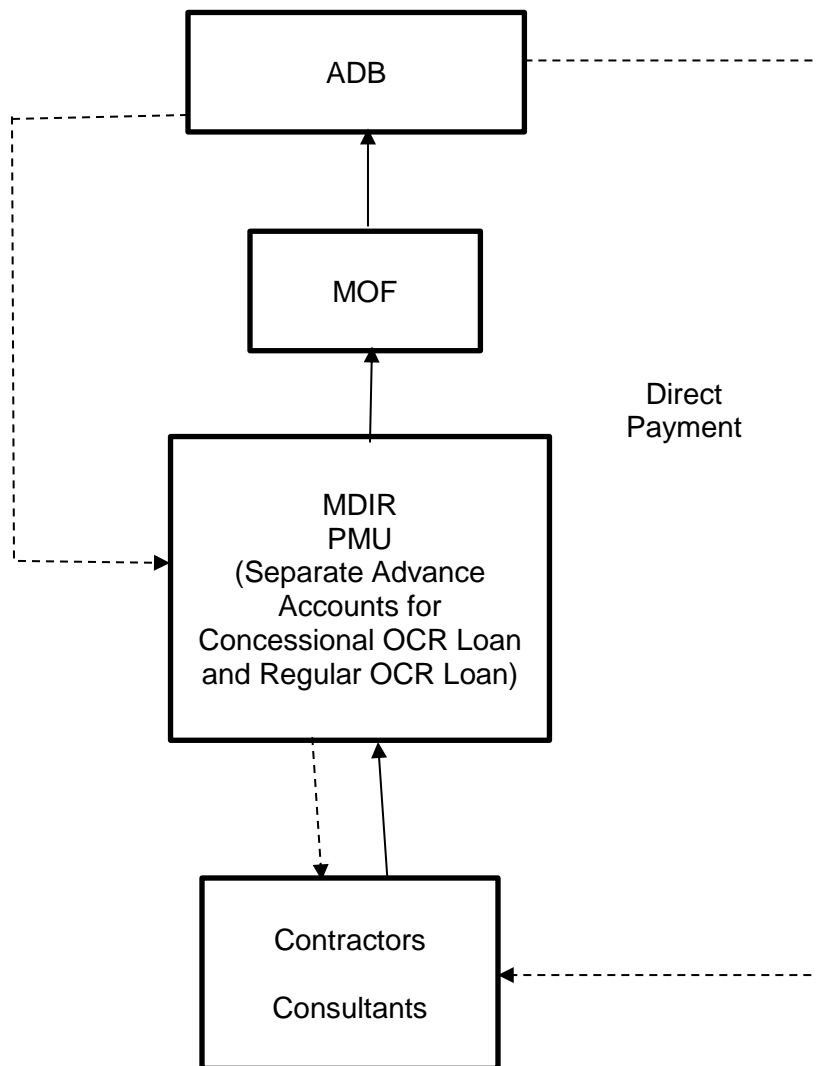
Source(s): Asian Development Bank

F. Contract and Disbursement S-Curve

11. Tables and figures below show contract awards and disbursements for the allocated amounts from ADB loans over the life of the project, and annually based on the contract awards and disbursement projections.



G. Fund Flow Diagram



—————> Document Flow
 - - - - -> Fund Flow

ADB=Asian Development Bank, MOF = Ministry of Finance, MDIR=Ministry of Development and Institutional Reform, PMU=Project management unit.
 Source: Asian Development Bank.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

12. The financial management assessment (FMA) was conducted in August 2016 in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. The FMA considered the capacity of CAFI through the MPS, and of MDIR through the PMU, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Based on the assessment, the key financial management risks identified are the absence of internal audit function, inadequate reporting by the PMU, credibility of the budget process, and capacity of DRBFC to undertake repairs and maintain road assets. It is concluded that the overall pre-mitigation financial management risk of CAFI and MDIR as it relates to the project outputs is moderate. The MPS and the PMU, representing the executing and implementing agencies respectively, have agreed to implement an action plan as key measures to address the deficiencies. The summary financial management assessment and mitigation measures are provided in Table 1. The financial management risks and risk-mitigation measures will be reviewed and updated periodically during the life of the project.

Table 2: Summary of Public Financial Management Assessment

Risk Description	Impact	Likelihood	Risk	Mitigation Measures
Lack of internal audit function would undermine internal controls	Medium	Likely	Medium	Internal controls are being undertaken through well-defined responsibilities, segregation of duties, and different signatories at different level of authorities. Will also be supplemented with a project financial management manual to guide operational processes.
Inadequate reporting on project investment costs. The inability of the PMU to access MOF's information systems and the GOTL policy to have separate financial statements for the funds, excluding donors' contribution will result in underreporting of project investments and may result in cost overruns.	Medium	Likely	Medium	PMU has to make every effort to upgrade its financial systems and to make use of more advanced software for financial operations. A more reliable accounting system would ensure credibility of its reporting and monitoring system. However, the PMU should also consider the compatibility of the software with that of the Government's FMIS.
Unfamiliar with the principle of providing insurance cover. This risk may not have substantial impact during project implementation. However, prudent asset management dictates that all assets procured under the project should be secured to maximize use.	Low	Likely	Low	Unfortunately, the Government itself does not insure its assets. The concept of providing insurance cover would need to be introduced for the Government's buy in before budgetary resources could be allocated to agencies down to the PMUs.
Lack of expertise (and very few qualified personnel) is one of the	High	Likely	High	ADB will continue to provide support to the agency to ensure

factors that could constrain the ability to conduct timely and effective repair and maintenance of investments. The agency tasked with maintenance does not have the necessary plans and monitoring systems.				proper training in management of road repairs and to effectively implement road repair contracts.
Inadequate budgetary allocation for operation and maintenance of project roads. While it is not difficult to request for allocation, or to actually access and utilize budgetary resources for repair and maintenance, the agency should be technically equipped to prepare projections, and cost estimates, and to implement work plans to ensure proper utilization of allocations.	High	Likely	High	The NDRBFC needs support to strengthen its capacity to efficiently carry out its functions. There has to be a mechanism in place to effectively monitor road assets completed and at what stages of construction, completion, or reparability they are. The agency should be able to prepare a feasibility study or repair plan which will facilitate the task of estimating repair costs for budget forecasting. The unit should also have a pre-qualified roster of contractors that could be easily mobilized in the event that emergency repairs need to be undertaken particularly in the remote areas.
OVERALL	Medium		Medium	

B. Disbursement

1. Disbursement Arrangements for ADB Funds

13. The loans' proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time), and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.² Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

14. Disbursements from the concessional and OCR loans will use direct payment and reimbursement procedures. Both loans will use advance fund procedures with liquidation, replenishment, and reimbursement as appropriate. Advance accounts are justified because (i) they are needed for efficient day to day PMU operations, (ii) payments of small amounts must be made frequently in respect of supplies, local consultants and community participation contracts, (iii) withholding taxes and duties comprising a small portion of eligible expenditures due to contractors, consultants and suppliers are to be deducted by the IA from payments due and paid directly to the government's Treasury, and (iv) the PMU is experienced in managing advance accounts on other ADB-financed projects. The PMU will prepare disbursement projections for the loans in each year of project implementation for MDIR or CAFI as appropriate, to make timely submissions for budgetary allocations for counterpart funds. The Financial Administrator of the PMU will be responsible for preparing the draft withdrawal applications and will forward these to the CAFI for checking and endorsement by an authorized loan signatory and forwarding to ADB.

² Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

Prior to endorsing the withdrawal application, the details of the payment may be subject to financial and technical review by the ADN. The PMU will collect and retain the originals of all supporting documents and make these available for audit purposes.

15. **Advance fund procedure.** Separate advance accounts should be established and maintained for each funding source. The currency of the advance accounts is the US dollar. The advance accounts are to be used exclusively for ADB's share of eligible expenditures. The government who administers the advance accounts is accountable and responsible for proper use of advances to the advance account. The total outstanding advance to the respective advance account will not at any time exceed the estimated ADB financed expenditures to be paid from the respective advance account for the forthcoming 6 months. The request for initial and additional advances to the respective advance account should be based on an Estimate of Expenditure Sheet³ setting out the estimated expenditures for the forthcoming 6 months of project implementation. Supporting documents should be submitted to ADB, or retained by the borrower in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time) when liquidating or replenishing the advance account. The advance account is to be used exclusively for ADB's share of eligible expenditures. The IA through its PMU, who established the advance account in its name is accountable and responsible for proper use of advances to the advance account.

16. **Statement of expenditure (SOE) procedure** will be used. The Borrower has sufficient administrative and accounting capacity to prepare and maintain proper SOE, and ensures records of expenditures are kept, and are made readily available for examination. The Borrower through the EA is capable of arranging periodic and annual audits for SOE transactions as part of the project's audit. ADB may suspend the use of the SOE procedure when the EA's and/or IA's capacity is no longer deemed adequate. Examples of inadequate capacity, among others, are the borrower continuously claims ineligible expenditures; the borrower fails to submit the audit report before the deadline; the audit report and/or the management letter indicates significant irregularities in financial management, accounting, internal control, or the use of the ADB funds in project implementation; or the disbursement or review mission finds significant irregularities in the use of ADB funds.

17. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) who will sign the withdrawal applications on behalf of the borrower, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is set in accordance with the Loan Disbursement Handbook. Individual payments below this amount should be paid (i) by the EA/IA and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB.

18. The government and CAFI have agreed with ADB on the following condition for disbursement: no withdrawals shall be made from the loan account for carrying out any works for this Project in relation to one individual contract package until an approval from the High Administrative, Tax and Audit Court of Timor-Leste, as applicable, has been obtained in respect of that individual contract package.

³ Available in Appendix 10B of the *Loan Disbursement Handbook*.

2. Disbursement Arrangements for Counterpart Fund

19. Where payments are to be made from government funds, the PMU will prepare a payment voucher and forward this to the Office of the Minister of Public Works for approval. The payment voucher will then be transmitted to MPS, which will, after review by ADN if required, transmit the voucher to the Director of Treasury at the MOF.

C. Accounting

20. The PMU will maintain separate project accounts and records by funding source for all expenditures incurred on the project. The Project financial statements will be prepared in accordance with international accounting principles and practices.

D. Auditing and Public Disclosure

21. CAFI will cause the detailed 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 by CAFI.

22. The audit report for the project financial statements 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 were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

23. 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.

24. The government, CAFI and MDIR 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.⁴ 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.

⁴ 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.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

25. 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 2011.⁵ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements 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.⁶

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Action

26. All advance action on procurement will be undertaken in conformity with ADB Procurement Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid under advance action on procurement will be subject to ADB approval. The borrower, executing and implementing agencies have been advised that approval of advance action on procurement does not commit ADB to finance the project.

27. Advance action on procurement will be used for the procurement of civil works packages and consultant services. Bids will be invited for civil works for which bidding documents have been prepared and approved by ADB. A consulting firm will be recruited for supervision of construction of the Baucau to Viqueque road upgrading (two contracts). Bidding works for the civil works contract will follow the single stage single envelope procedure.

B. Procurement of Goods, Works, and Consulting Services

28. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).

29. Before the start of any procurement, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time).

30. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C.

31. All consultants and nongovernment organizations (NGOs) will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).⁷ The terms of reference for all consulting services are detailed in Section D.

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

⁵ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

⁶ 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).

⁷ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

quality: cost ratio of 90:10 and quality based selection where appropriate. Individual consultants will be recruited using Individual Consultant Selection (ICS).

C. Procurement Plan

Basic Data

Project Name: Baucau to Viqueque Roads Project	
Project Number: 51115-001	Approval Number: TBA
Country: Timor-Leste	Executing Agency: Commission for the Administration of the Infrastructure Fund
Project Procurement Classification: B	Implementing Agency: Ministry of Development and Institutional Reform
Procurement Risk: Moderate	
Project Financing Amount: \$78 million ADB Financing: \$44 million Non-ADB Financing: \$34 million	Project Closing Date: Sep 2021
Date of First Procurement Plan: Jun 2017	Date of this Procurement Plan: Nov 2017

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

33. Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	\$1,000,000	
International Competitive Bidding for Goods	\$250,000	
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works	
National Competitive Bidding for Goods	Beneath that stated for ICB, Goods	
Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	90:10
Single Source Selection	Individual consultants
Individual consultants selection (ICS)	

2. Goods and Works Contracts Estimated to Cost More Than \$1 Million

34. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Procurement Method	Prequalification of Bidders (y/n)	Advertisement Date (quarter/year)	Comments
CW1	Civil Works – Baucau to Venilale Road Section	\$23 M	ICB	N	Q1 2018	Advance action Prior Review 1S1E

CW2

Civil Works – Venilale to Viqueque Road Section	\$34 M	ICB	N	Q1 2018	Advance action Prior Review 1S1E
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3. Consulting Services Contracts Estimated to Cost More Than \$100,000

35. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method ¹	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
Firm1	Construction Supervision – Baucau to Viqueque Road Upgrade	\$7.0 M	Quality and Cost Based Selection (90:10)	Prior	Q1 2018	FTP	Advance action

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000

36. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Number of Contracts	Procurement / Recruitment Method	Review (Prior/Post)	Advertisement Date	Comments
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B. Indicative List of Packages Required Under the Project

37. The following table provides an indicative list of all procurement (goods, works and consulting services) over the life of the project. Contracts financed by the Borrower and others should also be indicated, with an appropriate notation in the comments section.

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Comments
CW 1-2	Works	\$57 million	2	ICB	Prior	1S1E	

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments
Firm 1	Supervision Consultants	\$7.0 million	1	QCBS	Prior	FTP	
ICS1-10	Project Management	\$2.0 million	17	ICS	Prior	EOI	

C. Consultant's Terms of Reference

38. Consultants' Terms of Reference is provided in Annex 1 of the PAM.

VII. SAFEGUARDS

39. **General.** The project is category B for environment. Following the process already established by the PMU, an environmental assessment (including environmental management plan [EMP]) has been completed for the Baucau to Viqueque section of national road network. As per the systems and procedures developed within PMU in the past four years, the environmental assessment has been developed as a simplified environmental impact statement (SEIS)⁸ to meet the requirements under Decree No. 5 Environmental Licensing Law to ensure that it complies with Timor-Leste's country safeguard system for environment, as well as meeting any additional requirements of the Safeguard Policy Statement 2009 (SPS).

40. The assessment confirms that the environmental effects of the project will be similar in scale and impact to those of completed and ongoing road projects. The potential impacts will be site-specific and readily mitigated and managed through measures identified in the EMP. Minerals license procedures will be followed by the contractor for all new materials sources and this include preparation of a mining plan and site-specific environmental management plan (SSEMP) to manage the extraction activities and rehabilitate the site on completion. The project includes bio-engineering features and requirements to assist in slope stabilization and reduce risk of landslide have been reviewed by the Watershed Management and Bioengineering Specialist engaged under the Global Environment Facility (GEF) pilot program for Road Network Sector Upgrading Project. The costs of implementing the bioengineering requirements have been included in the project costs.

41. Capacity building provided by the PMU to DRBFC safeguards officers and the other key roles and contractors will be facilitated by the project extending contracts of the international specialists providing mentoring and on-the-job training. A plan to transfer skills and build capacity of DRBFC will be required to ensure seconding and other similar arrangements to allow for this opportunity yield results. Under the Baucau – Viqueque project, the PMU is required to implement the capacity building and environmental management measures identified in the EMP. Additional resources required for short stay accommodation for PMU staff based in Dili due to the necessary travelling time to Baucau and Viqueque districts.

42. **Next steps and actions.** For environment safeguards, the next steps will include:

⁸ The SEIS is equivalent to IEE as per SPS. The loan agreement includes reference to SEIS as equivalent to IEE in the definitions to ensure the terminology of SEIS is properly reflected in the legal requirements.

- (i) PMU to allocate resources and budget and prepare contract extensions for staff, as required, to ensure the project is implemented in compliance with loan agreements and covenants and the work program and schedule;
- (ii) As per the National Directorate of Pollution Control and Environmental Impact (NDPCEI) confirmation of category B for the project (17th May 2017), the PMU is to submit the SEIS and EMP (as part of the environmental license application);
- (iii) PMU to ensure that conditions of the environmental license are incorporated into the updated EMP and included in the bid documents and recommend changes to NPC as necessary;
- (iv) On selection of supervision consultants (PISC) and first mobilization of IEC and NEC, PMU to deliver induction training to PISC environmental consultants to ensure they are aware of: (a) the legal requirements (contractor to prepare, submit and gain clearance of its site-specific construction EMP (CEMP), (b) requirements in application for minerals licenses and environmental licenses), and (c) the systematized procedures and reporting processes being implemented by PMU to ensure consistency in compliance with laws and SPS;
- (v) PISC-IEC to ensure the baseline conditions of key environmental and social parameters to be monitored as part of the monitoring plan are properly established and arranging, through survey or similar, the benchmarking of baseline conditions and parameters not yet established;
- (vi) On award of contract and mobilization of contractor's environmental and safety officer/manager (early in the pre-construction stage), PMU and PISC to provide induction training to the successful contractor for preparation (and subsequent implementation) of the CEMP and requirements for applying for minerals licenses (repeat training as necessary);
- (vii) PMU and PISC to review and approve the CEMP and advise the Engineer whether the CEMP is adequate and if the notice to proceed/take possession of the site can be issued;
- (viii) PISC to assist the contractor to prepare applications and supporting documents for minerals licenses for each new materials extraction site (i.e. step 1 - location approval application, and step 2 - mining plan and SSEMP as part of the mining license application). Seek guidance from PMU and review the documentation with respect to National Petroleum and Minerals Authority (ANPM) requirements prior to ensuring the contractor submits the applications to ANPM in a timely manner;
- (ix) Contractor implements the CEMP and minerals license conditions/requirements and reports on implementation of CEMP (and any conditions of minerals licenses including separate reporting required by ANPM) as part of monthly reporting;
- (x) PISC to regularly (weekly and monthly) monitor the contractor's compliance with the approved CEMP, with joint inspections being undertaken by PMU at least every two months with additional inspections in response to specific environmental issues or non-compliances with the CEMP. The PMU will also continue the process of undertaking random spot-checks. Issue of corrective action requests requested by the PISC and/or PMU will be made to the contractor through the Engineer;
- (xi) In the event an unanticipated impact is encountered during implementation the contractor, PISC and PMU will discuss required actions to satisfactorily address the impact and the same will be included in an update of the CEMP;
- (xii) As per the project communications plan, information disclosure and consultations will be ongoing (facilitated by PMU, PISC and contractor) and the GRM, as set out in the SEIS, will be implemented. Consultations and GRM will be included in monthly, quarterly and monitoring reports;

- (xiii) PISC prepares and submits monthly environmental monitoring reports and quarterly progress reports (QPR) which includes a section on safeguards. The reports will include compliance with the approved CEMP, any training or support provided to the contractor, monitoring and corrective action reports. The reports will be submitted to DRBFC, PMU, ADB and MOF; and
- (xiv) PMU prepares and submits semi-annual safeguards monitoring reports to MOF, MDIR and ADB.

43. **Items to consider in detailed design review.** The site visit along the Baucau – Viqueque Highway helped to identify a number of sections and areas where, from an environmental safeguards perspective, the current design will require further attention to avoid or minimize impacts. The SEIS and EMP will be updated to reflect the modifications made to avoid and/or minimize the impacts and confirm that the impacts can be satisfactorily mitigated. Subsequently the PISC will consult with the PMU to confirm the locations where environmental impacts (e.g. tree removal / relocation of local infrastructure) can be significantly reduced by minor modifications to the alignment and then the contractor will be required to furnish site plans/drawings and construction methodology as part of the CEMP to demonstrate how they will achieve the mitigations:

- Station 13 + 060 left side – sinkhole that will need to be considered in the design of the lined drain;
- Physical cultural resource issue - station 22+172 Japanese WWII caves and tunnels system;
- Station 50 + 700 – shape correction and realignment at Loihuno bridge;
- Station 37 + 211 right side – GOTL has at the request of mineral, environmental and protected area (PA) authorities prohibited further extraction from this quarry site as it is located in the PA. The matter is non-negotiable. ANPM at the request of the PA authority has further prohibited location of manufacturing areas and contractor base camps and minerals extraction from hills, mountains and rivers in PA. There are three PA along the road (Mundo Perdido, Mundo Buillo, Mundo Laratami), the proposed works will not create any impacts on the PA. The PA the road passes closest to i.e. 500m at its closest point—Mundo Perdido—is further protected by buffer zone and Suco Mundo Perdido (village) located between the road and boundary of the PA proper;
- Station 44 + 600 – gabion wall suffering slippage due to water-logged area;
- Station 44 + 700 - large fishponds (right side) and the feed water will need to be considered in the design of the lined drain;
- Station 48 +460 to 48 +490 –unnamed bridge to be reconstructed on existing alignment and options for temporary river crossing/traffic diversion will need to be considered. Fill or temporary embankment appears to be unacceptable due t deep gulley and would be least preferred option. A temporary scaffold type crossing diversion may be necessary;
- Physical cultural resource issue - station 51+760 (approx.) possible lulik site; and
- Station 51 + 030 – waterfalls left side and irrigation channels right side are potential water sources linked by a crossing drain.

44. In addition to the specific sites above there are a number of general considerations along the alignment to be discussed and clarified between PMU, PISC and the contractor these include:

- Need to prepare detailed and marked up drawings/plans of the trees to be retained and protected and mark them accordingly. These will include large/mature specimen “champion” trees, trees of cultural or special significance to communities as identified through consultation, and *Ficus albipila* classified as nationally rare by the forestry authority;
- Maintenance of property access over lined drains and retaining walls; and
- Water-pipes and other services relocations to be undertaken in consultation with district administrations and service providers.

45. **Social.** The project is category B for involuntary resettlement and C for indigenous peoples following the SPS. The upgrade of 58.27 km of national roads from Baucau to Viqueque, including widening the existing 4.5 m wide road to 6.0 m with 1.0 m shoulders will require land acquisition beyond the existing road corridor and clearance of trees/crops and some residential and small roadside business structures. A total of 146 affected persons will experience significant impacts from physical and/or economic displacement. A resettlement plan has been prepared for the Baucau-Venilale and Venilale-Viqueque road sections to compensate and mitigate resettlement impacts. The Ministry of Public Works will provide the required budget for the implementation of the resettlement plan activities.

46. The PMU will have the overall responsibility in overseeing the implementation of resettlement plans. Their key responsibilities include: (i) conduct of gender-inclusive consultations and project information disclosure to ensure that affected persons and other key stakeholders are engaged and well-informed about the project impacts and its proposed compensation and mitigation measures; (ii) coordinate with responsible agencies such as MDIR, Ministry of Justice (MOJ) and Directorate of Land, Property and Cadastral Survey (DLPCS) in carrying out land acquisition including timely and adequate compensation payment and livelihood restoration according to approved entitlements; (iii) establish grievance redress mechanism and timely resolution of affected persons grievances in coordination with MOJ and DLPCS; (iv) monitor and reporting of resettlement activities to MDIR, MoF and ADB and (v) ensure update or formulation of resettlement plan, if required, based on unanticipated or updated impacts. The PMU will work closely with the Social Development Specialist (SDS) under PISC in the update and implementation of resettlement plans and ongoing consultation during project implementation. The PMU will also be responsible to provide induction training to the PISC regarding the social safeguards requirements of the project and ensure that they understand their responsibilities in avoiding and mitigating involuntary resettlement impacts associated with construction activities.

47. The project will not possess the site and start construction until the compensation to affected persons has been completed. The PMU and PISC will undertake key activities below prior to site possession and commencement of civil works:

- (i) Update of the resettlement plan based on (a) validation survey to reconfirm/update the involuntary resettlement impacts such as lands to be acquired and other affected roadside assets, trees and crops and (b) consultations with all affected persons and other stakeholders such as suco chiefs and district administrator, etc. to provide updates on the project and obtain agreement on the proposed involuntary resettlement activities;
- (ii) PMU and SC-SDS, MoJ and DLPCS to work together in conducting cadastral surveys for lands confirmed to be acquired;
- (iii) Update/prepare valuation based on full replacement cost at existing market price for all affected assets and lands to be acquired;
- (iv) Disclosure of the updated resettlement plans to affected persons and ensure their feedback will be incorporated in finalizing the updated plan;

- (v) Updated RPs will be sent to ADB for concurrence and will be disclosed on the EA and ADB websites.
- (vi) Prepare disbursement of government funds for compensation and entitlements to affected persons;
- (vii) Establishment of grievance redress mechanism for the project; and
- (viii) Preparation of the Compensation Completion Report and submission to ADB for clearance following payment of all compensation and entitlements to affected persons

48. The capacity building on social safeguards within MDIR will be facilitated by PMU through on the job training, coaching and mentoring to DRBFC safeguards officers. This is **expected** to result to DRBFC safeguards officers' secondment and other similar arrangements to the PMU to facilitate effective learning.

49. **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

50. The project is classified as effective gender mainstreaming and a gender action plan has been **prepared** with specific gender activities, targets and indicators. Among the key targets include women involvement in all consultations, inclusion of gender design features such as bus shelters and separate men and women toilets at strategic locations along the highway, provisions for road safety and HIV/AIDS awareness, women employment in routine maintenance work and preparation of gender-sensitive operational guidelines for the Land Transport Authority. The gender action plan is presented below. The MDIR-PMU through its Gender Specialist will be responsible for the implementation of the GAP working closely with the Supervision Consultant's Social Development Specialist. The PMU Gender Specialist will also provide awareness sessions on gender issues in transport sector to MDIR/DRBFC, contractor and communities.

GENDER ACTION PLAN

ACTIVITIES	PERFORMANCE TARGETS AND INDICATORS ⁹	TIMELINE	REPSONSIBILITY
Output 1. Improved and safe Baucau to Viqueque Road			
1.1 Women are equally involved in all community consultations, including through holding women only consultations. Women as well as men should include those families living with disabilities and women headed households.	<ul style="list-style-type: none"> 30% women participation in all ongoing community consultations throughout the project 	Q3 2018-Q2 2021	Supervision Consultant/International Contractor/ PMU
1.2 Provide necessary institutional support for both male and female labor-based workers such as separate sanitation facilities and safety equipment.	<ul style="list-style-type: none"> Presence of male and female toilets at construction camp. Men and women workers are provided with appropriately sized protective clothing and safety equipment. 	Q3 2018	International contractor
1.3 Implement equal pay for equal work between male and female workers and zero tolerance for child labor.	<ul style="list-style-type: none"> Payroll with names, sex, work done, working period, and wages received, are made available for inspection, as per conditions of contract as an enforceable requirement. 	Q3 2018-Q2 2021	International contractor
1.4 Contractor conducts another round of community consultations prior to construction of the road.	<ul style="list-style-type: none"> Minimum 30% women per Aldeia attending focus group discussions (FGDs) for each Suco which includes all male and female residents and vendors who are affected by the road extension, including those using household taps in the vicinity. The FGDs will include community mapping exercises of all 13 Sucos where the road is widened, identifying all buildings, services and livelihoods affected (houses, kiosks, community taps); location of feeder roads, health clinics, schools, polices, Suco Chief house, churches and other services all to be located separately by men and women's groups in mapping. 	Q3 2018	Supervision consultant, International contractor
1.5 Incorporate development of bus shelters and public toilets into project design	<ul style="list-style-type: none"> At least 5 bus shelters and separate male and female public toilets constructed in strategic locations along the road [identified from community-based priority ranking exercise (see 1.4.)] Considerations will also be selected where water and electricity supply can be tapped. Water-proof bulletin boards and signages in each bus shelter on topics such as road safety, anti-sexual harassment on public transport, disability awareness and safe sex and HIV awareness messages targeted to men, women and children. 	Prior to Q2 2021	International contractor
1.6 Implement road safety program aimed at women and children living in project roadside communities, and regular male	<ul style="list-style-type: none"> 50% men, women and children in attendance at separate community consultations on road safety, and pro poor socially inclusive gender sensitive development. 	Q3 2018-Q2 2021	Approved service provider engaged by

⁹ The project used the Road Network Upgrading Project and Road Network Upgrading Sector Project as the baseline for the proposed numeric targets with modifications on selected targets assessed to be difficult to achieve.

<p>drivers on the Baucau and Viqueque highway.</p>	<ul style="list-style-type: none"> • 3 local women trainers for community road safety awareness per Suco. • Road safety awareness training conducted twice a year during the period of the project. • Posters and leaflets produced and distributed at school, bus shelters, health clinics/police stations/Suco Chief offices specifically targeting specific messages for women, men and children in local languages. 		<p>the International Contractor</p>
<p>1.7 A separate campaign needs to focus on men's needs and interests around vehicle and driver safety and this should be informed by focus group discussions bringing together bus, truck, angguna and microlet drivers in Baucau, Venilale and Viqueque.</p> <p>Putting-up billboards from a bus shelter to remind drivers that a rest place is approaching and they should not travel more than 2 hours without a break.</p> <p>Traffic calming mechanisms including decreased speed signage to be incorporated at the intersection of feeder roads, especially those leading to school and health clinics.</p>	<ul style="list-style-type: none"> • Angguna, truck, bus and microlet drivers consulted at roadside stops they frequent in Baucau, Vinelale and Viqueque (minimum of 20 in Baucau and Viqueque and 10 in Venilale). • Production and distribution of driver safety pamphlets. • Condoms distributed annually at regular stops frequented by drivers in Baucau, Viqueque and Venilale. • Minimum of 2 billboards with driver safety messages on the approach to bus shelters. • Number of speed signs, pedestrian signs, school children signs, health clinic signs and stop signs are erected. They can be quantified from the detailed design drawings. 	<p>Q3 2018-Q2 2021</p>	<p>Approved service provider engaged by the International contractor; Supervision Consultant's Social Development Specialist.</p> <p>International contractor</p> <p>International contractor</p>
<p>1.8 HIV/AIDS awareness training program conducted by an approved provider with measures to reduce the risk of transfer of HIV between and amongst the contractor personnel and local community to promote early diagnosis and assist affected individuals.</p>	<ul style="list-style-type: none"> • Community members (30% women) from each of the Sucos crossed by the highway have participated in combined, gender and HIV/AIDS and STI information campaigns in the 3 years of construction. • HIV/AIDS & STI preventative awareness posters are set up at bus stops and at strategic places along the highway prior to the start of construction. • All civil works laborers have received training on HIV/AIDS & STI prevention. • Provision in bidding document specifying HIV/AIDS activities as above. 	<p>Q3 2018-Q2 2021</p>	<p>Approved service provider engaged by the Contractor</p>
<p>1.9 Pedestrian walkways included on all bridges being reconstructed and footpaths for to schools.</p>	<ul style="list-style-type: none"> • 5 bridges being reconstructed include separate pedestrian walkways. • 1 km footpaths constructed in both directions to each school. 	<p>Q3 2018-Q2 2021</p>	<p>International contractor</p>

1.10. Resettlement activities will deal with both men and women including equal compensation for both.	<ul style="list-style-type: none"> All vulnerable women (as a percentage of total) and women headed households that receive additional special assistance of \$100 for three more months for vulnerable household status. All affected women involved in preparation and review of resettlement plans, building design, selection and planning of sites and compensation options. Socio-economic survey during validation exercise to include questions on household division of labor, intra-household financial decision making, and access to resources, assets and services (including water, fuel, schools and health clinics). Grievance Redress Committee will include at least one woman, in addition to all members receiving training on the needs of a pro-poor socially inclusive and gender sensitive approach to compensation, especially for women headed households and those identified in the Resettlement Plan as vulnerable households. 	Q3 2018 or prior to possession of the sites	MDIR- PMU
1.11 Ensure reconstruction of any taps near the road are prioritized for immediate access to minimize any need for women to travel to other water taps during construction period, ensuring dust does not impact on water quality.	<ul style="list-style-type: none"> All community taps to be prioritized in reconstruction to minimize disruption to community health needs. 25% women (of the total population in Suco) served by roadside community taps. 	Q3 2018-Q2 2021	International contractor
Output 2: Institutional Strengthening and Capacity Building for Better Project Management and Construction Supervision			
2.1. Gender awareness and trainings implemented among key project and government staff	<ul style="list-style-type: none"> 30% of management staff from MDIR and DRBFC and all PMU and Construction Supervision staff receive annual gender training in transport, road safety and HIV/AIDS in the 3 years of construction 	Q3 2018-Q2 2021	PMU Gender Specialist and Supervision Consultant's Social Development Specialist
2.2. Capacity building to DRBFC will include women staff	<ul style="list-style-type: none"> 20% of women staff under the Safeguards Unit of the Department of Projects, DRBFC will be seconded or assume part-time assignment with PMU for at least six months. 	Q3 2018-Q2 2021	PMU Gender Specialist and Supervision Consultant's Social Development Specialist
2.3. Facilitate gender participation in the project including gender reporting and monitoring of activities	<ul style="list-style-type: none"> Appoint at least one female member from the community to serve as project focal point in charge of assisting community consultation and project awareness activities. Establish all project performance indicators disaggregated by gender, collect them regularly, and include them in the progress, monitoring, and evaluation reports. 	Q3 2018-Q2 2021	PMU Gender Specialist and Supervision Consultant's Social Development Specialist
Technical Assistance Output 1: Improved maintenance planning and asset management			
1.1. All consultations will have women participation	<ul style="list-style-type: none"> 30% women attendance in all consultations leading to the preparation of the national road maintenance strategy 	Q3 2018-Q2 2020	Road Asset Maintenance Advisory

1.2. Women participation in capacity building programs to be implemented to the DRBFC maintenance division	<ul style="list-style-type: none"> At least 30% women participation in all capacity building trainings (to be determined during implementation) 	Q3 2018-Q2 2020	Road Asset Maintenance Advisory
1.3. Opportunities for women engagement in the organization strategy of DRBFC	<ul style="list-style-type: none"> 30% employment of women and ensure at least one woman is employed in leadership position 	Q3 2018-Q2 2020	Road Asset Maintenance Advisory and DRBFC
Technical Assistance Output 2: Draft legislation to establish a National Land Transport Authority			
2.1. Work with the Gender Specialist of the Ministry of Public Works, Transport and Communications-PMU to develop a gender-sensitive operational guidelines	<ul style="list-style-type: none"> Specific gender provisions integrated in the operational guidelines e.g. women employment in organization and staffing and service delivery arrangements 	Jan-Dec 2019	Land Transport Authority Advisory and MDIR- PMU Gender Specialist
2.2. All consultations will have women participation	<ul style="list-style-type: none"> 30% women attendance in all consultations leading to the draft national land transport legislation and regulations 	Jan-Dec 2019	Land Transport Authority Advisory and MDIR- PMU Gender Specialist
2.3. Address safety and workers rights in transport sector as part of the national land transport legislation and regulations	<ul style="list-style-type: none"> Specific actions to address safety and worker rights developed e.g. regulation to vehicle owners/managers to ensure drivers (usually young men) do not work longer than 8 hour shifts without a replacement 	Jan-Dec 2019	Land Transport Authority Advisory
Implementation			
<p>GAP implementation will be the primary responsibility of the Gender Specialist currently under recruitment in the PMU. The Supervision Consultant will engage a Social Development Specialist to assist the PMU in implementing GAP particularly in overseeing the contractor's responsibility under the GAP proposed activities. Sex-disaggregated data will be collected and GAP implementation progress reported in the Social and Gender Monitoring Report to be prepared and submitted bi-annually by the PMU Gender Specialist. The GAP implementation progress report will be submitted to MDIR and ADB. The PMU Gender Specialist will provide awareness programs to MDIR/DRBFC, contractor and communities on gender issues in transport sector.</p>			

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Impact the Project is Aligned with			
Increased and more efficient movement of people and goods ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Road transport connectivity improved and travel time reduced along the crucial north–south land transport link from Dili to Viqueque	By 2022: a. Average travel time from Dili to Viqueque drops by 30% (2016 baseline: 10 hours by bus) b. Average daily traffic increases to 2,000 vehicles per day (2016 baseline: average for two sections of 850 vehicles per day) c. Comprehensive road maintenance strategy and plan adopted (2017 baseline: none) d. Road asset management system is adopted (2017 baseline: none) e. Ensuing road maintenance program is prepared (2017 baseline: none)	a.–b. Project completion report prepared by MPWTC	Lack of ownership and support to develop a comprehensive road maintenance program.
Outputs	By 2021:		
1. Improved and safe Baucau to Viqueque highway	1a. 58 km of national road from Baucau to Viqueque are constructed with IRI 2 m/km (2017 baseline: IRI > 8 m/km). 1b. Average travel time from Baucau to Viqueque reduced to 2 hours (2017 baseline: 3.5 hours)	1a. Annual road condition surveys by DRBFC; project monitoring reports from MPWTC 1b. Records of road safety education delivered to schools maintained by the Ministry of Education	Delay in approval or rejection of contract by the Audit Court of Timor-Leste after the National Procurement Commission issues letter of acceptance to the lowest evaluated bidder Delay and noncompliance by the contractor to submit

	<p>1c. At least five bus shelters and separate male and female public toilets constructed in strategic locations along the road (2017 baseline: none)</p> <p>1d. Total road fatalities along the Baucau to Viqueque highway are reduced by 10% (2017 baseline: to be determined)</p> <p>1e. Community members (30% women) from each of the villages crossed by the highway participate in combined gender, HIV/AIDS, and STI awareness program during the 3 years of construction (2017 baseline: N/A)</p>	<p>1c. As-built drawings, project progress reports</p> <p>1d. Records of crash fatalities maintained by the Road Safety Directorate, the Ministry of Interior, the Timor-Leste National Police Force, and the Ministry of Health</p> <p>1e. GAP biannual progress report</p>	<p>construction EMP and rectify environmental management non-compliances</p> <p>Unforeseen works or contractor's activities outside the established project right-of-way result in adverse permanent impacts</p> <p>Implementation delays due to government not providing adequate counterpart resources for qualified project management staff and consultants</p> <p>Climate change impacts contribute to accelerated deterioration of the road assets</p>
2. Institutional strengthening and capacity building	<p>2a. Contract award and disbursement targets are met through effective project management and construction supervision (2017 baseline: N/A)</p> <p>2b. 30% of management staff from the MPWTC and DRBFC, and all PMU and construction supervision staff receive training on gender in transport and road safety during the 3 years of construction (2017 baseline: N/A)</p>	<p>2a. Contract awards and disbursements</p> <p>2b. Periodic review missions</p>	<p>Completed sections of project road is inadequately maintained, and long sections are prone to premature wear and tear</p> <p>The government does not provide adequate counterpart resources for project management, leading to implementation delays</p>
<p>Key Activities with Milestones</p> <p>1. improved and safe Baucau to Viqueque highway</p> <p>1.1 Recruit construction supervision consultants by September 2018</p> <p>1.2 Commence civil works contracts for the upgrading of the road section (Baucau to Viqueque) by September 2018 and physical completion by June 2021</p> <p>1.3 Conduct awareness and education campaigns in roadside communities and schools from September 2018 to March 2021</p> <p>2. Institutional strengthening and capacity building</p>			

2.1 Maintain or strengthen PMU capacity for management of overall development partner-financed national road upgrading program (ongoing)

2.2 Implement resettlement plan prior to commencement of works (August 2018)

2.3 Recruit construction supervision consultants (Q1 2018-Q3 2018)

2.4 Monitor implementation of environmental management plan (Q3 2018 - Q1 2019)

2.5 Monitor performance of supervision consultant and contractors (Q3 2018 - Q1 2019)

3. Attached transaction technical assistance activities

3.1 Recruit transaction and advisory consultants by September 2018

3.2 Prepare road maintenance strategy and plan by 2020

3.3 Prepare road asset management implementation plan by 2020

3.4 Prepare draft legislation to establish a national land transport authority by 2020

Inputs

Asian Development Bank: \$19,000,000 (regular OCR loan), \$25,000,000 million (concessional OCR loan); \$1,000,000 (transaction technical assistance): Technical Assistance Special Fund (TASF 6)

Government of Timor-Leste: \$33.78 million

Assumptions for Partner Financing

None

DRBFC = Directorate of Roads, Bridges and Flood Control; GAP= gender action plan; IRI = international roughness index; km = kilometer; m = meter; MPWTC = Ministry of Public Works, Transport and Communication; PMU = project management unit; OCR = ordinary capital resources.

^a ADB. 2011. *Country Partnership Strategy: Timor-Leste, 2011–2015*. Manila; and Government of Timor-Leste. 2011. *Timor-Leste Strategic Development Plan, 2011–2030*. Dili.

Source: Asian Development Bank.

B. Monitoring

51. Project performance monitoring. Project performance will be monitored using the targets, indicators, assumptions, and risks in the DMF. Disaggregated baseline data for output and outcome indicators gathered during project processing will be updated and reported quarterly through the implementing agency's quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.

52. Compliance monitoring. Compliance monitoring will be provided through regular quarterly progress reports and during regular ADB review missions.

53. Safeguards monitoring. The PMU with support from the PISC, will monitor safeguards as per the specific monitoring requirements sets out in the RP and the SEIS. For environmental safeguards this includes: (i) appropriate conditions and parameters are established as the baseline prior to any construction works commencing. If there is no sufficient baseline for some conditions, the PISC-IEC will arrange for this to be benchmarked prior to commencement of works; (ii) recording the results of monitoring, as per the monitoring plan, of the identified environmental parameters and noting any exceedances (how to address exceedances and who to avoid future exceedances); (iii) monthly reporting by the contractor to include compliance with the approved CEMP and any other contract requirements. The monthly reporting should list any corrective action requests and how these have been resolved/closed out; (iv) supervision of CEMP compliance conducted regularly by the PISC and the regular inspections (and as required spot-checks/reviews) by the PMU.

54. The QPR will cover a summary of the contractor's monthly reports, details of monitoring data collected, and analysis of monitoring results, recommended mitigation measures, any **environmental** training conducted, and environmental non-compliance and corrective actions taken. The PISC will include safeguards activities (including training) in the QPR and based on the QPR prepare semi-annual safeguards monitoring reports and submit to the DRBFC, PMU, ADB and MOF. The semi-annual monitoring reports will be disclosed locally, including submission to NDPCEI for information, and uploading on ADB's website.

55. For social safeguards, monitoring will include reporting on progress of activities in the implementation schedule with particular focus on public consultations, updating the RP, timeliness of payment of compensation, relocation if any, and level of satisfaction among the affected households. As noted above, the PMU will include safeguards activities in the QPR and prepare **and** submit semi-annual safeguard monitoring reports to DRBFC, PMU, ADB and MOF. The semi-annual safeguards monitoring reports will be disclosed locally and uploaded to ADB's website.

56. The below checklists can be used as a guide for safeguards monitoring. The tables below set out the suggested contents for the semi-annual safeguards monitoring report.

PARD Safeguards Implementation Checklist: Environment					
Date:					
PROJECT INFORMATION					
Loan/Grant No.:		Project Name:			
Approval Date:		Closing Date:		Cumulative Progress (%):	
Project Team Leader(s):				Implementing Agency:	
1) Categorization					
(Original)		A	<input type="checkbox"/>	B	<input type="checkbox"/>
(additional financing, if any)		A	<input type="checkbox"/>	B	<input type="checkbox"/>
		C	<input type="checkbox"/>	FI	<input type="checkbox"/>
		C	<input type="checkbox"/>	FI	<input type="checkbox"/>
<i>(Please complete the following sections if the project has been categorized as A, B or FI)</i>					
2) Planning					
Documents:		EARF	<input type="checkbox"/>	IEE/EIA	No. of IEE/EIA <input type="text"/>
IEE/EIA Disclosed and Posted on ADB Website:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
EMP Finalized or Updated after Detailed Design:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
CEMP submitted, reviewed and approved:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
(Attach a list of subprojects and status if necessary.)					
3) Institutional Setup					
PIU/PMU Environment Staff Assigned:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
		If yes, Name: <input type="text"/>		Since: <input type="text"/> / <input type="text"/>	
				(month) (year)	
Environmental Specialist/Consultant Mobilized:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
		If yes, National Specialist's Name: <input type="text"/>		Since: <input type="text"/> / <input type="text"/>	
				(month) (year)	
		If yes, International Specialist's Name: <input type="text"/>		Since: <input type="text"/> / <input type="text"/>	
Participation of Gov. Environment Agency/Division:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
		If yes, Name: <input type="text"/>		Since: <input type="text"/> / <input type="text"/>	
				(month) (year)	
Grievance Redress Mechanism Established:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, why? <input type="text"/>			
Allocation of Government Budget:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
		If yes, amount\$: <input type="text"/>			
4) Monitoring and Reports					
Internal Monitoring System Established:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
Compliance monitoring incorp. into Q Progress Reports:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
External Monitor Engaged (if needed):		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
		If yes, Name: <input type="text"/>		Since: <input type="text"/> / <input type="text"/>	
				(month) (year)	
Monitoring Report Submitted to ADB:		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
If Yes, provide information below					
	Baseline Report	Report 1	Report 2	Report 3	Report 4
Submission Date (m/yr)					
ADB Review Date (m/yr)					
Web-posting Date (m/yr)					
Name of ADB Reviewer					
5) Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant					
		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
		If no, actions? <input type="text"/>			
If Yes, provide information below					
Mission Date (m/yr)					
Type of mission:					
Participants (safeguard specialist/officer/staff consultants)					

6) Compliance with Loan Covenants			
List of key covenants in loan and project agreement			
Item #	Covenant	Compliance rating*	Describe status of compliance
*Note: Yes ; No; Not yet due			
Overall safeguard rating (e-Operation):			
S = Satisfactory; PS = Partly Satisfactory; US = Unsatisfactory			
7) Status of Implementation of EMP Activities (Please provide a cross reference if it is already covered under Section 6 above)			
	Items	Yes/No	Describe Implementation Status
8) Major Issues or Complaints (Cumulative)			
	Item	Description	
1	Issue		
	Proposed Action(s)		
	Follow-up Issues/Actions		
	Final Resolution of Issue		
2	Issue		
	Proposed Action(s)		
	Follow-up Issues/Actions		
	Final Resolution of Issue		
*Add rows as needed.			
Prepared by:		Confirmed by:	Confirmed by:
Date:		Team Leader:	Safeguard Specialist/Officer:
Date:		Date:	Date:
To: Sector Director/Country Director			
cc: Project Team Leader; PARD Safeguard Specialist			
IEE = initial environmental examination; EIA = environmental impact assessment; EMP = environmental management plan; FI = financial intermediary; MTR = mid-term review; PCR = project completion review; PIU/PMU = project implementation/management unit; TL = team leader; EARF = environmental assessment and review framework; SS = safeguard specialist			

Suggested Outline of Monitoring Report – Environment

Heading/Section	Contents
Introduction	Brief background on the project and subproject; Institutional arrangements for project management and environmental management;
Monitoring Activities	Who participated in the monitoring; Methodology for monitoring (whether checklists prepared etc); When the monitoring was undertaken and what period it covers; Summary of other monitoring undertaken in the period (i.e. form contractor's monthly reports and if any survey/sample monitoring undertaken); Main activities – observations/inspections, consultations, interviews with contractor staff etc
Works in Progress	Details of the works being undertaken, (with photographs); Include whether any environmental training/awareness has been provided to contractor staff in the period (what, by whom etc)
Monitoring Results and Actions Required	Whether works and measures comply with the approved EMP/CEMP; Should follow sequence of items identified in EMP/CEMP and verify that all mitigations measures noted are being implemented; Corrective actions cited (date to be resolved and person responsible on contractor team and verification by IA/HRMG)
Summary and Conclusions	Summary of main findings; Main issues identified and corrective actions noted; Can include summary table which can be updated each period to track completion of actions required
Attachments	Monitoring checklist (based on items identified in the EMP/CEMP) refer annex 1 Additional photographs Additional information as required

Checklist for Safeguard Supervision/Monitoring (Resettlement)

Checklist for Safeguard Supervision: Involuntary Resettlement

PROJECT INFORMATION					
Loan/Grant No.:	Project Name:				
Approval Date:	Closing Date:		Cumulative Progress (%):		
Project Team Leader(s):			Project Analyst:		
1) Resettlement Categorization					
	(Original)	A	B	C	FI
	(additional financing, if any)	A	B	C	FI
<i>(Please complete the following sections if the project has been categorized as A, B or FI involving land acquisition/resettlement issues)</i>					
2) Resettlement Planning					
Resettlement Planning Documents:	RF	<input type="checkbox"/>	RP	<input type="checkbox"/>	Number of RPs _____ ESMS <input type="checkbox"/>
RP Finalized or Updated after Detailed Design: (Attach a list of subprojects and status if necessary.)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
Final/Updated RP Disclosed and Posted on ADB Website:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
Compensation Rates Approved by the Government:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
3) Institutional Setup for Resettlement					
PIU/PMU Resettlement Staff Assigned:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
	If yes, Name: _____		Since: _____ / _____		(month) (year)
Resettlement Specialist Consultant Mobilized:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
	If yes, Name: _____		Since: _____ / _____		(month) (year)
Grievance Redress Mechanism Established:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, why? _____
Allocation of Government Budget:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
	If yes, amount\$: _____				
4) Resettlement Monitoring and Reports					
Internal Monitoring System Established:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
External Monitor Engaged (if needed):	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
	If yes, Name: _____		Since: _____ / _____		(month) (year)
Monitoring Report Submitted to ADB:	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
	If Yes, provide information below				
	Baseline Report	Report 1	Report 2	Report 3	Report 4
Submission Date (m/yr)					
ADB Review Date (m/yr)					
Web-posting Date (m/yr)					
Name of ADB Reviewer					
5) Resettlement Field Review with Participation of Safeguard Specialist/Officer/Staff Consultant					
	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	If no, actions? _____
	If Yes, provide information below				
Mission Date (m/yr)					
Type of mission					
Name of safeguard specialist/officer/staff consultants					

Suggested Contents of Resettlement Monitoring Report

Heading/Section	Contents
Introduction	Brief background on the project/subproject and progress status The project's category and planning documents (original, updated or new plans) on resettlement impacts Institutional arrangements and budget allocation for resettlement/social management; Arrangement for the monitoring
Monitoring Activities	Methodology for monitoring (whether checklists prepared etc); What period the monitoring covers Main activities – site visits, consultations, survey etc
Monitoring Results and Actions Required	Progress and performance in implementation of RPs and other programs (how they were implemented, what are the outputs, etc) Results on consultations, disclosure and grievance redress (whether they have been effective, level of satisfaction of APs with various aspects of the RP, public awareness of the compensation policy and entitlements will be assessed among APs.) Whether the implementation comply with the approved RPs (e.g. whether compensation rates were at replacement cost, full payment made to all APs sufficiently before land acquisition; prompt attention to unforeseen damages or losses, to ensure APs are fully compensated for losses) Results on outcome (whether APs were able to restore livelihoods and productive activities) Compliance on monitoring and disclosure (whether reports have been submitted, posted on website) Whether any issues and corrective measures identified to achieve the RP objective. If yes, actions with target dates and responsible agency/person) Follow-up item/plan for next report
Summary and Conclusions	Summary of main findings; Main issues identified and corrective actions noted; A table on follow-up action which can be updated each period to track completion of actions required including progress of the follow-up of problems and issues identified in the previous report
Attachments	Monitoring checklist (based on items identified in the RPs) Photographs Additional information as required

57. **Gender and social dimensions monitoring.** The PMU with support from the PISC, will monitor gender and social dimensions of the project as per the specific activities and targets and implementation timeline set out in the GAP. Some of the key gender and social dimension to be monitored include: (i) percentage of women included in all activities, including pre construction consultation identifying location of bus shelters and public male and female toilets; (ii) number of women and female headed households (as a percentage) involved in unskilled labour; (iii) number of men **involved** in focus group discussions for drivers and receiving information on HIV and road safety standards; (iv) number of women trained in road safety and activities conducted and (v) number of men and women who have participated in HIV/AIDS and road safety campaigns among others.

58. The PMU Gender Specialist with inputs from the PISC and contractor's monthly progress report will prepare and submit a bi-annual GAP Monitoring Report to MDIR and ADB. This would highlight the progress per proposed activities, issues and challenges in achieving the targets and proposed strategies and resolution to maintain effective implementation of GAP activities.

C. Evaluation

59. ADB will review the Project every 6 months. Each review will cover institutional, administrative, organizational, technical, environmental, social, poverty reduction, resettlement, economic, financial, and other aspects affecting the performance of the Project and its continuing viability. The Government and ADB will jointly undertake a midterm review of the Project within about 2 years of its start. The midterm review will focus on (i) project impact, (ii) implementation progress, (iii) the performance of consultants and contractors, (v) the status of compliance with covenants in the loan agreement, and (vi) the need for any midcourse changes in project scope or schedule to ensure full achievement of the intended impact. Within 6 months of physical completion of the Project the implementing agency will submit a project completion report to ADB.

D. Reporting

60. The implementing agency will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) 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 executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

61. During the early implementation phase of the project, a communication strategy and communication plan will be prepared that will indicate the types of information, means of communication, who will provide and to whom including at what intervals to the stakeholders about the project as well as its implementation. Different modes of communications will be utilized as required and as appropriate to the audience. Communications will include project notice boards, notices in newspapers, recruitment of liaison officer in the contractor's staff, disclosure of reports in NDPCEI and local authority offices and be made available at contractor's camps and offices.

X. ANTICORRUPTION POLICY

62. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.¹⁰ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency 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.¹¹

63. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project.

¹⁰ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

¹¹ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

XI. ACCOUNTABILITY MECHANISM

64. 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, affected people should make an effort in good faith to solve their 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.¹²

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

¹² Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.