



Technical Assistance Report

Project Number: 54326-002
Transaction Technical Assistance (TRTA)
October 2021

Democratic Republic of Timor-Leste: Preparing the East to South Coast Road Connectivity Project and Strengthening the Road Sector Institutional Capacity

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Asian Development Bank

CURRENCY EQUIVALENTS

The currency unit of Timor-Leste is the United States dollar.

ABBREVIATIONS

ADB	–	Asian Development Bank
DED	–	detailed engineering design
ESRCP	–	East to South Coast Road Connectivity Project
F-TRTA	–	transaction technical assistance facility
TA	–	technical assistance

NOTE

In this report, “\$” refers to United States dollars.

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TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 54326-002	
Project Name	Preparing the East to South Coast Road Connectivity Project and Strengthening the Road Sector Institutional Capacity	Department/Division	SERD/SETC
Nature of Activity	Project Preparation, Capacity Development	Executing Agency	Council for Administration of the Infrastructure Fund (also Conselho Administrativo do Fundo Infraestrutura)
Modality	Regular		
Country	Timor-Leste, The Democratic Republic of		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Transport	Road transport (non-urban)		1.00
		Total	1.00
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum)	0.000
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Medium
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		ADB Financing	
✓ Strengthening governance and institutional capacity		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.1, 1.5, 1.b		Effective gender mainstreaming (EGM)	✓
SDG 5.2, 5.c			
SDG 9.1		Poverty Targeting	
SDG 10.4		General Intervention on Poverty	✓
4. Risk Categorization	Complex		
5. Safeguard Categorization Safeguard Policy Statement does not apply			
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		1.00	
Transaction technical assistance: Technical Assistance Special Fund		1.00	
Cofinancing		0.00	
None		0.00	
Counterpart		0.00	
None		0.00	
Total		1.00	
Currency of ADB Financing: US Dollar			

I. THE ENSUING PROJECT

1. The ensuing East to South Coast Road Connectivity Project (ESRCP) will support the government of Timor-Leste's transport sector priorities to enhance connectivity to markets and services and its social and national development agenda, through (i) rehabilitating and upgrading about 173.7 kilometers (km) of national road sections in east and south coast areas, (ii) improving road asset management, and (iii) strengthening awareness of road safety and gender-related issues. The ESRCP is estimated to cost \$180.0 million. The Asian Development Bank (ADB) will provide financing in an amount equivalent to \$110.0 million from its ordinary capital resources and \$35.0 million from concessional loan. The government will finance \$35.0 million including taxes and duties.

II. THE TECHNICAL ASSISTANCE

A. Justification

2. The proposed transaction technical assistance (TA) will help the government to prepare and implement the ESRCP, particularly on: (i) safeguards analysis and documentation; and (ii) institutional and project management capacity development. The TA will supplement another transaction TA facility (F-TRTA), the Southeast Asia Transport Project Preparatory Facility, which has already been approved. The F-TRTA will support ESRCP through recruitment of (i) consulting firm which will conduct the feasibility study and due diligence on engineering, economic and financial assessments, social and gender development, and procurement, and (ii) the individual consultants who will conduct the tasks to meet the government's urgent needs (*i.e.* biodiversity specialist, replacement cost and appraisal specialist, and procurement specialist).¹ The individual consultants under the proposed TA will fully coordinate the work with the consulting firm under the F-TRTA. The proposed TA has been included in the country operations business plan for Timor-Leste, 2020–2022.²

3. The proposed TA will recruit individual environmental and social safeguards consultants to undertake environmental and social safeguards studies to help the government prepare the ESRCP. More specifically, the individual consultants will (i) conduct environmental safeguards due diligence including preparation of environmental impact assessment or initial environment examination; (ii) prepare climate change assessment, and (iii) undertake social safeguards due diligence including preparation of the resettlement plan and the ethnic group development plan. Further, the TA will recruit individual consultants to help develop the capacity of the government to implement the ESRCP for such areas as (i) livelihood restoration and development, (ii) indigenous peoples assessment, (iii) financial management and accounting, and (iv) overall project management.

4. For the output of safeguards analysis and documentation preparation for the ESRCP, the TA consultants will carry out (i) the due diligence for existing studies for Lautem–Com and Lautem–Lospalos road sections, and (ii) the feasibility study for Lospalos –Viqueque and Viqueque–Natabora road sections (Table 1). The government has prepared initial detailed engineering design (DED), and preliminary environmental and social safeguards studies for two road sections (Lautem–Com section and Lautem–Lospalos section), which need further due diligence and design review to make the project ready for ADB financing. For the south coast road

¹ Asian Development Bank. 2019. *Technical Assistance Report. Southeast Asia Transport Project Preparatory Facility Phase 2*. Manila.

² Asian Development Bank. 2019. [Country Operations Business Plan, Timor-Leste, 2020-2022](#). Manila.

section (Lospalos–Viqueque and Viqueque–Natabora sections), a new feasibility study is needed, while the DED for the Lospalos–Viqueque and Viqueque–Natabora section will be conducted under the existing loan (e.g. Baucau to Viqueque Highway Project) after the conduct of feasibility study.

Table 1: List of Road Candidates

No.	Section	Assumed Length* (in kilometers)	Remarks
1	Lautem– Com	20.8	Previous studies available**
2	Lautem–Lospalos	27.8	Previous studies available**
3	Lospalos–Viqueque	125.1	
4	Viqueque–Natabora	50.0	

* Kilometers will be further confirmed during the TA inception phase.

** Previous studies include the detailed engineering design and preliminary environmental and social safeguards studies, which need to be further reviewed and updated.

B. Outputs and Activities

5. **Output 1: Safeguards analysis and documentation prepared.** The environmental and social safeguards studies will include the environmental assessment, poverty and social assessment, land acquisition and resettlement plan, stakeholder communication strategy, and consultation and community engagement plans. The ESRCP will be designed taking into consideration the following: climate change and disaster resilience, sensitive social and environmental safeguards, gender mainstreaming, the need for paying attention to the ethnic minorities issues, obtaining broad community support of impacted ethnic minority communities and documentation of the same.

6. **Output 2: Institutional capacity strengthened.** The institutional capacity of relevant staff under the Ministry of Public Works will be strengthened for such areas as (i) livelihood restoration and development, (ii) indigenous peoples assessment, (iii) financial management and accounting, and (iv) overall project management. Capacity building needs will be assessed, training program and on-the-job training will be planned and conducted, and reporting including the lessons learned will be prepared. Modalities of trainings and workshops will depend on the coronavirus disease pandemic situation. If limited in-country, face-to-face trainings for government officials are not feasible, it will be conducted via online.

C. Cost and Financing

7. The TA is estimated to cost \$ 1.0 million, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 7). The key expenditure items are listed in Appendix 1.

8. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies and other in-kind contributions. The government was informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

9. ADB will select, supervise, and evaluate the consultants, and procure goods. ADB will hire individual consultants to provide the consultancy services to ensure integrated project delivery.

The TA subproject include procurement of office equipment and furniture and materials for workshops. The TA will be implemented over 26 months and is expected to commence no later than October 2021.

10. Implementation arrangements are summarized in Table 2.

Table 2: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	October 2021–December 2023		
Executing agency	CAFI		
Implementing agencies	PMU under the DRBFC of the MPW		
Consultants	To be selected and engaged by ADB.		
	Individual: ICS	International expertise (30.5 person-months)	\$583,440
	Individual: ICS	National expertise (18.0 person-months)	\$99,000
Procurement	ADB will engage consultants, and all TA financed goods shall be procured in accordance with the ADB's <i>Procurement Policy and Regulations for Goods, Works, Non consulting and Consulting Services</i> (2017, as amended from time to time) and the associated staff instructions.		
Advance contracting	The contracts being proposed for advance contracting.		
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	Fixed assets will be turned over to the government (DRBFC of the MPW) upon completion of the TA or be disposed as ADB assets. The decision will be made by ADB to hand over the asset to the government (subject to the needs and conditions of the asset) or dispose as ADB assets.		

ADB = Asian Development Bank, CAFI = Conselho de Administração do Fundo Infraestrutura (Council for the Administration of the Infrastructure Fund); DRBFC = Directorate of Roads, Bridges and Flood Control, ICS = Individual Consultants Selection, MPW = Ministry of Public Works, Transport and Communications, PMU = project management unit, TA = technical assistance.

Source: Asian Development Bank

11. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy and Regulations for Goods, Works, Non consulting and Consulting Services (2017, as amended from time to time) and its associated staff instructions.³

³ Terms of Reference for Consultants (accessible from the list of linked documents in [Appendix 2](#)).

COST ESTIMATES AND FINANCING PLAN

(\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	583.44
ii. National consultants	99.00
b. Out-of-pocket expenditures	
i. International and local travel	120.85
ii. Reports and communications	8.45
2. Surveys	63.00
3. Goods (rental or purchase) ^b	10.00
4. Training, seminars, and conferences ^c	18.00
5. Miscellaneous technical assistance administration costs ^d	10.00
6. Contingencies	87.26
Total	1,000.00

Note: The technical assistance (TA) is estimated to cost \$1 million, of which contributions from the Asian Development Bank are presented in the table. The government will provide counterpart support in the form of counterpart staff, office accommodation, and other in-kind contributions.

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 7).

^b Goods to be procured include office equipment and furniture, computers, software, and application licenses. Any goods purchased using TA funds would be turned over to the relevant government authority or counterpart upon completion of the TA or disposed of following procedures indicated in Administrative Order 4.02 Asset Management and Inventory Control.

^c Activities related to training, seminars, workshops, forums, and conferences may be conducted in-country and in other countries. In case of restrictions posed by the global coronavirus disease (COVID-19) pandemic, physical training sessions, seminars and conferences might be changed to virtual, online events. May include travel allowance of ADB staff acting as a resource person, following ADB (Budget, Personnel, and Management Systems Department; and Strategy and Policy Department). 2013. Use of Bank Resources: Regional Technical Assistance and Technical Assistance vs. Internal Administrative Expenses Budget. Memorandum. 26 June (internal).

^d Administration expenses such as translation services (not under consultant contract) and advertisement expenses for international journals or national newspapers (for advance action).

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=54326-002-TARreport>

1. Terms of Reference for Consultants