

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: 88047

<b>Project Name</b>	Building Disaster/Climate Resilience in Communities along the Dili-Ainaro and Linked Road Corridors in Timor Leste
<b>Region</b>	East Asia and Pacific
<b>Country</b>	Timor Leste
<b>Sector</b>	Public Administration – Water, Sanitation & Flood Protection (40%) Sub-National Government Administration (30%) General Transportation Sector (30%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P144818
<i>{If Add. Fin.}</i> <b>Parent Project ID</b>	n/a
<b>Borrower(s)</b>	Democratic Republic of Timor-Leste
<b>Implementing Agency</b>	National Disaster Management Directorate
<b>Environmental Screening Category</b>	{ }A {X}B { }C { }FI
<b>Date PID Prepared</b>	March 26, 2014
<b>Estimated Date of Appraisal Completion</b>	April 2, 2014
<b>Estimated Date of Board Approval</b>	n/a
<b>Decision</b>	Project authorized to proceed to negotiations upon agreement on any pending conditions and/or assessments

## I. Country Context

1. **The Democratic Republic of Timor-Leste is a young, post-conflict, small island state with an expanding development agenda.** Notable achievements have been made in building peace and stability, but major challenges exist for institutional and delivery capacity at national, district, sub-district and suco levels<sup>1</sup>. The economy continues to grow rapidly, with non-oil Gross Domestic Product (GDP) growing 10% in 2012<sup>2</sup>. With the launch of the Strategic Development Plan (SDP) for 2011-2030, the Government plans to invest heavily in infrastructure, agriculture, rural development and social capital. There is a clear need to make these investments resilient to various shocks, including that of disasters and climate change impacts. Coupled with existing vulnerability, periodic hazard events such as flooding and landslides are constantly depleting the resiliency of rural communities. Impacts of disasters are often felt more acutely in fragile states<sup>3</sup> such as Timor-Leste, because of weak institutions and low capacity to grapple concurrently with both instability and disaster response<sup>4</sup>. By managing disaster and climate risks systematically,

<sup>1</sup> Timor-Leste is divided into thirteen administrative districts, 65 sub-districts, and further subdivided into 442 sucos and 2,336 communities (aldeias).

<sup>2</sup> World Bank Timor-Leste Country website and the World Bank EAP Economic Update 2012.

<sup>3</sup> World Bank (2011) World Development Report 2011: Conflict, Security, and Development. p 103.

<sup>4</sup> World Bank (2013). Strong, Safe, and Resilient. A Strategic Policy Guide for Disaster Risk Management

Timor-Leste has an opportunity to preserve development gains, improve the living standards of its population and enable the country to emerge from fragility.

## II. Sectoral and Institutional Context

**2. Most disasters in Timor-Leste are localized and periodic, with serious impact on local communities.** Major hazards include flash floods, droughts, landslides and destructive winds. Substantial risk of earthquake and potential tsunami exist in several areas along the southern coast<sup>5</sup>. Timor-Leste was affected by cyclones multiple times in the past decades, including Esther (1983), Bonnie (2002), Inigo (2003), and Daryl (2006) due to which crops and over 500 houses were destroyed.<sup>6</sup> There are pockets of vulnerable population living in areas with difficult road accessibility and low capacity to respond to disasters. Most of this population is agrarian and even low intensity disasters add significantly to their vulnerability by increasing food insecurity. Agriculture contributes 26.5% of the Gross Domestic Product (GDP) and employs 64% of the labor force. Further, forest cover in Timor-Leste has decreased over the years, particularly due to widespread use of slash and burn agriculture, using wood as a source of fuel and uncontrolled logging. This in turn has contributed to increased flooding and landslide risks.

**3. Most disaster management activities are still limited to disaster response and are taken on an *ad hoc* basis driven by immediate need.** The National Disaster Management Directorate (NDMD) under the Ministry of Social Solidarity (MSS) is the lead agency that coordinates disaster response, and over the past decade it is gradually transitioning to an agency that coordinates both ex-ante disaster risk management as well as ex-post response. NDMD capacity to manage disaster response in a systematic and coordinated manner is hampered by a lack of adequate human and financial resources.

**4. Despite exposure of assets to disaster and climate risks, key development sectors lack a coherent framework to address these risks.** A number of factors have contributed to increasing the country's vulnerability, including the lack of maintenance and poor design of infrastructure (e.g., road networks), and geological, hydrological, meteorological and human factors that trigger landslides and flash floods. The country's mountainous topography, location in an area of regionally high seismic activity, and exposure to heavy monsoon rain make infrastructure assets susceptible to disasters. Human actions, such as excavation of slopes, inappropriate agricultural practices and deforestation, have increased the risk of flash floods and landslides. The effects of disasters on Timor-Leste's transport infrastructure have multiplier negative impacts on the national and local economy, restricting connectivity and accessibility, and hindering the movement of people, goods, agricultural products and services.

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in East Asia and the Pacific. Washington DC: World Bank.

<sup>5</sup> Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI). Timor-Leste. Risk Profile. 2011. Timor-Leste is expected to incur, on average, US\$5.9 million per year in losses due to earthquakes and tropical cyclones.

<sup>6</sup> Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI). Timor-Leste. Risk Profile. 2011.

**5. Investment in the road sector is expected to increase, opening an opportunity to integrate disaster and climate resilience in the sector, and to engage local communities in the process.** With the healthy fiscal posture of the Government of Timor-Leste and the need to significantly improve connectivity between districts to spur local economic growth, the road sector is expected to receive a significant portion of public investment. As the sector is also capable of absorbing generally low skilled workforce, it also has the potential of benefitting the wider local community by providing labor intensive jobs that also promote resilient development practices. Donor partners are helping the road sector on the basis of the core network development program: ADB is focusing along the north of the country to the west of Dili; the European Union (EU) on rural and district roads; JICA along the east from Dili to Baucau; and the World Bank on the Dili-Ainaro road corridor.

**6. The proposed activities are the result of consultations with Government counterparts and donors.** These activities have been developed in close coordination with and to support the development objectives and beneficiaries of the World Bank financed Timor-Leste Road Climate Resilience Project (RCRP, P125032). RCRP aims to deliver sustainable climate resilient road infrastructure on the Dili-Ainaro corridor (110 Km) through its rehabilitation (Map 1). After traversing a short stretch in the district of Dili, the road passes through the districts of Aileu and Ainaro through a difficult terrain, and settlements that are disaster prone, poor, and severely affected by past conflicts. It is expected that the rehabilitation will significantly improve connectivity and accessibility of the districts, which in turn is expected to provide opportunities for making livelihoods more resilient, including to disaster/climate risks. RCRP also includes feasibility studies and detailed design of the following additional road segments linked to the Dili-Ainaro road: Aileu-Gleno, Aitutu-Same-Aiasa, Aitutu-Hatubulico-Mt. Ramelau, Comoro-Solerema and Ainaro-Cassa, which will cover additional districts of Ermera and Manufahi.

**7. In the context of current and future disaster and climate change-related risks, there is a need to support the Government in adopting a holistic approach to manage disaster risks faced by the affected population and the vulnerable sectors.** In particular, support is required to: (a) systematically assess natural hazard risks that assets and livelihoods are exposed to; (b) enable risk-informed planning with the involvement of the affected communities; and (c) minimize losses that result to infrastructure assets and livelihoods by taking an approach to disaster risk management that combines both ex-ante and ex-post activities and also both structural (engineered) and non-structural solutions.

### **III. Project Development Objectives**

**8. The development objective** is to build the capacity of communities around the Dili-Ainaro and linked Road Corridors and district and sector agencies in community-based disaster risk management and adaptation for reducing the impacts of recurring landslides and floods.

### **IV. Project Description**

9. **Component 1: Strengthening Capacity for Planning and Delivering Community-Based Disaster Risk Management at Sub-district Level (US\$500,000).** The task involves communicating the results of hazard risk assessment at the community level, and combining them with locally available knowledge to prepare community hazard maps. The use of participatory mapping approaches will be considered to complement the limited availability of higher resolution hazard and vulnerability data at the local level. This component will also focus on building capacity at the central, sub-district and community levels to implement disaster risk management and adaptation activities and prepare the human resources necessary for: (a) community-based disaster risk management (CBDRM); (b) identification of small scale CBDRM activities; and (c) preparing comprehensive community level Disaster Risk Management Plans for the areas covered by this project.

10. **Component 2: Community-Based Disaster Risk Management and Adaptation Plans and Pilot Projects (US\$ 1,900,000).** Under this component selected (or targeted) sub-districts along the Dili-Ainaro and linked road corridors will be supported to prepare comprehensive sub-district level Disaster Risk Management Plans<sup>7</sup>. This includes: (a) Supporting sub-district governments and suco councils to identify small scale structural and non-structural risk reduction measures, and prioritize for implementation; and (b) Supporting sub-district suco councils to implement up to three prioritized risk reduction/adaptation activities<sup>8</sup>. The design and methodology used for some of the risk reduction measures will be documented to help the government prepare and/or refine standard design and construction guidelines for increasing climate resilience in the national roads sector.

11. **Component 3: Project Management (US\$300,000).** This component will provide support to the Project Implementation Unit (PIU) that will be set up in NDMD for project financial management, procurement, monitoring, evaluation and audit.

12. **Gender.** Capacity-building, consultations, and community-based pilots under the proposed project will include both men and women, to ensure that interventions are sensitive to gender-specific needs and preferences. Due to existing socio-economic conditions, cultural beliefs and traditional practices, women are disproportionately vulnerable to the impacts of disasters and may be at a disadvantageous position in post disaster recovery, if their needs are not taken into account, and they are not part of risk management planning and implementation.

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<sup>7</sup> There are 17 sub-districts and 133 sucos in the four target districts. Under this project, approximately 26 sucos in 4 districts will be supported.

<sup>8</sup> Measures the communities may identify include structural measures, such as small scale bio-engineering, slope stabilization, river embankment, improving/clearing drainage systems of roads, and strengthening roofing of schools and houses to prevent damage from strong winds; improvement of rural roads that are linked to the Dili-Ainaro corridor; and soil and water conservation programs/initiatives. Non-structural measures may include: improving access to weather information and databases, evacuation planning, community-based early warning system, testing of climate tolerant variety crops, and emergency drills in schools. The aim is to support a balanced approach between structural and non-structural measures for disaster risk management to ensure long-term sustainability and resilience for infrastructure and service, and to build institutional and social resilience to disasters. Support will be provided through a CDD approach, likely involving community organizations and NGOs.

## V. Financing

	(\$m.)
Source:	
Borrower/Recipient	
IBRD	
IDA	
Others: PHRD	2.7
Total	2.7

## VI. Implementation

### A. Institutional and Implementation Arrangements

13. **The Government of Timor-Leste will be the recipient of the grant and the National Disaster Management Directorate (NDMD) in the Ministry of Social Solidarity (MSS) will be the implementing agency.** NDMD is the main agency responsible for coordinating disaster risk management in Timor-Leste. The multi-agency Project Steering Committee (PSC), formed in 2013 and chaired by MSS, will provide overall guidance and oversight of the Project to ensure effective coordination and alignment with the Government's strategic priorities. The Director of NDMD will be the Project Director, and will oversee the Project Implementation Unit, comprising a Project Manager, an Accountant and a Procurement Officer. The PIU will be responsible for all project procurement, financial management, reporting and monitoring. It will obtain the services of international NGOs with experience in managing community based DRM activities, which are present in Timor-Leste, for implementing the project.

### B. Results Monitoring and Evaluation

14. The Results Framework will be used to monitor and evaluate the achievement of the PDO. The PIU will be responsible for: (a) monitoring of and reporting on project indicators; (b) assessing project effectiveness and progress; and (c) reviewing the quality of intermediate and final outputs. The PIU will ensure timely completion of consultant deliverables, dissemination of good practices and lessons, and mainstreaming of recommendations in the strategies and plans of concerned institutions.

### C. Sustainability

15. The project has good potential for having a lasting impact in building long-term resilience in the country through engagement with NDMD, sector departments, local governments, and communities. It also has the potential to be replicated to districts beyond those covered by the Project. Sustainability of the project will be sought at two levels: ownership of community based DRM plans and implementation of activities prioritized in community DRM plans; and effective expansion of the project by the national Government to other districts beyond project completion.

16. *Sustainability of the community disaster risk management plans* prepared under the project will be achieved through integration of the plans with local development planning processes to the extent possible, specifically through the Government's PNDS (the new nation-wide community development program of the Government, under which communities will receive support to plan, construct and manage their own small-scale infrastructure projects) and district level planning processes. It would also involve corresponding sector agencies overseeing the implementation, operation and maintenance of pilot investments; as well as funding of prioritized activities through various sources such as this project itself, through the WB funded RCRP, the Government's own budget, and donor funding, including that from the UNDP. Developing systematic feedback loops by integrating outputs of project activities into the Government's official planning process is expected to contribute significantly to secure sustainability and expansion. In addition, once particular risk mitigation measures are included in the suco/district development plans and owned by the sucos/districts, their implementation could be taken up by any program that supports the development of sucos/districts.

17. *Future expansion.* The proposed project provides opportunities for including hazard risk assessments in the Government's investment planning. It also provides necessary capacity building for disaster risk management and demonstrates the value of engaging communities on risk management through the implementation of pilot projects. Methods employed under this project, including lessons learned, will be documented for potential application in other districts. These will contribute to the sustainability of project interventions through future expansion.

## VII. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Piloting the Use of Borrower Systems to Address Environmental and Social Issues in Bank-Supported Projects ( <a href="#">OP/BP 4.00</a> )		X
<a href="#">Environmental Assessment</a> ( <a href="#">OP/BP 4.01</a> )	X	
Natural Habitats ( <a href="#">OP/BP 4.04</a> )		X
Pest Management ( <a href="#">OP 4.09</a> )		X
Physical Cultural Resources ( <a href="#">OP/BP 4.11</a> )		X
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )	X	
Indigenous Peoples ( <a href="#">OP/BP 4.10</a> )	X	
Forests ( <a href="#">OP/BP 4.36</a> )		X
Safety of Dams ( <a href="#">OP/BP 4.37</a> )		X
Projects in Disputed Areas ( <a href="#">OP/BP 7.60</a> )*		X
Projects on International Waterways ( <a href="#">OP/BP 7.50</a> )		X

\* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

## **VIII. Contact point at World Bank and Borrower**

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## **IX. For more information contact:**

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