



Technical Cooperation Progress Report (TCPR)

IRIS Project No: 103179
TC Symbol: TIM/12/01/AUS
Donor: AusAID
Administrative Unit: CO Jakarta

Country or Region: TIMOR-LESTE



Title: Roads for Development (R4D)

P&B Outcome: The Ministry of Public Works is more effective planning, budgeting and delivering rural roads works using labour based methods, as appropriate

Report: ☐ Annual For projects reporting on an annual basis, all sections must be completed and the report must cover the previous 12 months.
☒ 6-month For projects reporting twice per year, all sections must be completed and the report must cover the previous 6 months.
☐ Quarterly For projects reporting on a quarterly basis, every second and fourth report (i.e. twice a year) should complete all sections. The other reports may leave out sections A3 and A4.

Sequence: ☐ 1st report ☒ 2nd report ☐ 3rd report ☐ 4th report ☐ 5th report ☐ 6th report
☐ 7th report ☐ 8th report ☐ 9th report ☐ 10th report ☐ 11th report

Related project(s): N/A

Reporting Information	
Reporting period:	1 st July 2012 - 31 st December 2012
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Budget / Start and End Dates / Expenditures		
Project budget in USD: 31,645,569		
Project duration in months: 48	Planned	Actual
Project start date:	1 st March 2012	1 st May 2012
Project end date:	28 th February 2016	28 th February 2016
Cumulative expenditures as of 31-12-2012	US\$ 2,387,750	US\$ 1,972,290 ^a (82.6% of planned)

CLASSIFICATION OF ACHIEVEMENT OF OUTPUTS AND OUTCOME AS OF 31 DECEMBER 2012 ^b				
	Outcome	Output 1	Output 2	Output 3
Highly probable/Satisfactory > 80% of this period indicators met			✓	✓
Probable/Satisfactory 60-80% of this period indicators met	✓	✓		
Low Probability/Unsatisfactory 40-60% of this period indicators met				
Improbable/Very Unsatisfactory <40% of this period indicators met				

^a This is an un-audited figure, based on available data in the ILO financial information system in Dili. A report with certified financial expenditures will be sent by ILO HQ Geneva under separate cover.

^b Based on the achieved progress, as reported in chapters 3 and 4 of this 6-monthly progress report.

LIST OF ACRONYMS

ADB	Asian Development Bank
ADN	Agência do Desenvolvimento Nacional (National Development Agency)
Aldeia	Sub-village or hamlet
AusAID	Australian Agency for International Development
AWP	Annual Work Plan
BESIK	Bee, Saneamento no Igiene iha Komunidade (Community Water, Sanitation and Hygiene) - AusAID-funded WATSAN program
BoQ	Bill of Quantity
CDAM	Capacity Development Assessment Matrix
CD	Capacity Development
CDF	Capacity Development Framework
DB	Data Base
DRBFC	Directorate of Roads, Bridges and Flood Control
EC	European Commission
ESF	Environmental Safeguards Framework
EMMP	Environmental Management and Monitoring Plan
EU	European Union
GIS	Geographic Information System
GoTL	Government of the Democratic Republic of Timor Leste
HR	Human Resource
ILO	International Labour Organization
IMG	Independent Monitoring Group
KM	Knowledge Management
Km	Kilometer
LB	Labour-Based
M&E	Monitoring and Evaluation
MIS	Management Information System
MPW	Ministry of Public Works
MoV	Means of Verification
MSATM	Ministry of State Administration and Territorial Management
OH&S	Occupational Health and Safety
PSC	Program Steering Committee
R4D	Roads for Development
RDP	Rural Development Programme (EC-financed)
SEFOPE	Secretaria de Estado ba Formasaun Profisional no Empregu (Secretariat of State for Vocational Training and Employment)
SEPI	Secretariat of State for the Promotion of Equality
SSF	Social Safeguards Framework
Suco	Town or village
TA	Technical Assistance
TIM-Works	Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation
UNDP	United Nations Development Programme
US\$	United States dollar (Currency used in Timor-Leste)
YEP	Youth Employment Promotion [Programme]

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1. EXECUTIVE SUMMARY

In this reporting period the majority of the inputs and outputs were delivered as scheduled. 12 out of the 13 international staff positions were filled as per plan. At present only the position for the Procurement and Contract Management Specialist is vacant (recruitment is on-going and it is expected that the post will be filled in March/April 2013). All national staff positions were also filled, with the exception of 2 driver positions. The recruitment of additional national TA positions (6 months consultancies) has started for the posts of Community Development Officers (5) and Training Engineers (12). These temporary positions are required, pending the provision of sufficient MPW counterpart staff, to bridge the current staffing gap at field level (for supervision and community engagement). 3 international consultants were hired this period for: a) the design of bio-engineering works for the planned 2013 rehabilitation works; b) the preparation of the R4D Environmental Safeguards Framework, and; c) the design of R4D PR materials like year planners, calendars and agendas.

As per plan, the majority of the procurement of goods, equipment and renovation works of the R4D Main Office and the 5 MPW/R4D Regional Offices was completed. This included the procurement of 14 4WD vehicles, 20 motorbikes, office furniture and equipment (including photocopiers, computers, printers, cameras, phones, internet facilities, electric wiring for offices, security provisions, air-conditioners, LAN cabling, etc.). Only the procurement of a plotter for the GIS unit did not materialize as UNMIT failed to honour its commitment to provide one of its plotters. Another plotter has already been ordered.

In terms of the development of structures, systems and standards, the following main outputs were achieved:

- Completed proposal for re-structuring MPW in terms of functionalities required for the planning and implementation of investments in rural road works.
- A monitoring tool to enable an assessment of R4D's progress in terms of capacity building.
- A revised Results Framework and M&E Framework (draft).
- Agreement with MPW on the use of the FIDIC Short-Form of Contract (SFC) documents for contracting road works, the inclusion of all R4D-specific bidding conditions in the documents^c, and the translation of the documents in Tetun.
- Developed procedures and templates related to the pre-qualification, bidding and contract awarding to local contractors.
- The development of standard drawings and work specifications for R4D road works.
- Development of all necessary forms and templates, required for rate analysis and cost-estimation of R4D road works (based on labour-based work methods).
- The development of a draft R4D/DRBFC operational Environmental Safeguards Framework (ESF) and a first draft (partial) of the R4D Social Safeguards Framework.

Activities in this period related to training included the completion of a skills assessment of MPW (assistant-) supervisors and database engineers and on-the-job training and class-room training of 22 (assistant-) supervisors on bio-engineering, surveying, designing, rate analysis and cost-estimation (total 212 trainee-days of training). MPW Regional Engineers received classroom training on the use of FIDIC SFC. Workshops were organized for MPW staff and external stakeholders on bio-engineering and environmental safeguards. Training modules for contractors' pre-bid training were also prepared.

Regarding the R4D rural road rehabilitation and maintenance works, the target of selecting, designing and cost-estimating more than 90 km for the R4D 2013 rehabilitation works, was exceeded (103 km). Contract packages for all 103 km of rural road rehabilitation works have

^c Including social and environmental safeguards

been completed. Due to various reasons^d the average cost-estimate per km of rehabilitation has increased significantly, compared to the costs assumed in the R4D Project Document (from US\$ 50,000 to US\$ 100,000 per kilometer). This has implications for R4D's rural road development and maintenance targets. Unless AusAID and GoTL will provide more funds for capital investments than was originally envisaged, R4D will not be able to meet the planned physical targets.

The pre-qualification of local contractors for R4D 2013 rehabilitation and maintenance work has also been completed and R4D - through intensive information campaigns - managed to pre-qualify 135 contractors, exceeding the target of 100 contractors.

The target of selecting and surveying 150 km of rural roads for R4D's 2013 maintenance activities could only be achieved partially (60 km) due to unavailability of MPW staff, heavy rains and delays at SEFOPE in finalizing their 2013 plan for the implementation of rural road works.

The ILO TA provided lead-support to MPW in the preparation of its 5-Year Investment Action Plan for investments in rural road works and this Action Plan was approved by MPW.

Various coordination activities were initiated in this period. Contacts were established with District Administrators' Offices, donors and other relevant projects and initiatives. Within MPW, much effort was put into the establishment of effective working relations with key officials. This was done in particular after the establishment of the new MPW in August 2012 and the appointment of the new MPW management (September/October). Various meetings were held to create understanding and awareness in MPW about R4D's objective, and to discuss R4D related strategic and operational issues. An R4D Technical Working Group was established in October in MPW and has met regularly in October and November. The only major coordination activity that R4D has not been able to accomplish is facilitating the establishment of an engagement between the Ministry of State Administration and Territorial Management (MSATM) and MPW. Time constraints within MPW and insufficient priority given by the Ministry to this activity has resulted in the failure to establish the R4D Program Steering Committee in 2012 (of which MSATM is proposed to be a key member, apart from SEFOPE, MoF, AusAID, other donors, ILO).

Key issues for R4D at the end of the reporting period are: a) the lack of MPW (counterpart) staff available to work with the ILO TA and; b) uncertainty about the availability of GoTL counterpart funding (US\$ 3 million) through MPW for R4D's road work activities in 2013. Confirmation on the latter issues will only be available in March 2013 when the National Parliament will decide on the 2013 State Budget. A Government Budget Review unfortunately has already rejected MPW's proposal for US\$ 3 million of investments in rural roads in 2013. The Secretary of State of MPW however expressed being hopeful in convincing the National Parliament to allocate US\$ 3 million for R4D under the 2013 State Budget.

Regarding the issue of MPW (counterpart) staffing for R4D, it will be necessary to reach an agreement with MPW during the first quarter of 2013 to assign some of its existing staff to R4D (12 supervisors and assistant-supervisors) and to recruit 17 temporary MPW staff (under an MOU between MPW and ILO) to work in-line with ILO TA staff (mainly for senior Dili-based positions).

^d Including increase wage rates, selection of roads in relatively difficult terrain conditions thereby requiring substantial more bitumen-based and concrete pavements, the inclusion of substantial bio-engineering works, cost-increase of local materials, inclusion of social safeguards provision in the cost-estimate (including workers' accident insurance and 3rd party liability insurance).

2. PROJECT MANAGEMENT

2.1. Staff Recruitment

International Staff and Consultants: During this period almost all remaining international R4D ILO staff positions were filled in accordance with the staff mobilization plan:

- a) 3 Regional Engineers: For Oecusse, Same and Dili Region (end July/early August)
- b) Institutional Capacity Development Specialist (24 September)
- c) Gender & Community Development Specialist (1 October). Filling this position was delayed^e
- d) Roads Engineering Specialist (1 October)
- e) GIS Specialist (1 November)
- f) Database Specialist (1 November)
- g) M&E and Knowledge Management (KM) Specialist (1 November)
- h) Procurement & Contract Management Specialist (24 September). The Specialist resigned on the second day after having taken up his assignment and left R4D on 25 October (as he was obliged to stay for one month - his notice period). This has affected the overall progress of R4D^f. The recruitment of a replacement is on-going and it is expected that the new Procurement & Contract Management Specialist will be in place in March/April 2013

The international staffing positions were purposely filled in a staggered way, considering the very low TA absorption capacity within MPW and assuming that at least core MPW counterpart staff would be assigned for R4D during this reporting period. This however did not materialize. Whereas there has been significant progress in this period in terms of engagement between the ILO TA team and MPW, only very few MPW staff are currently available - foremost at Regional level - to work with the ILO TA staff on R4D.

Another reason why it was decided to wait till October-November with the recruitment of a number of international ILO TA staff was related to the elections in July and the establishment of the new (5th) Constitutional Government of Timor-Leste in August. Due to the parliamentary elections in July 2012 and the change in Government it was assumed - and this proved to be correct - that not much could be expected in terms of active involvement by MPW in R4D in the period June - September, including decision making related to MPW commitments for budget and staff allocations.

In November/December international consultants were recruited -as per plan - for the design of the bio-engineering works for R4D's 2013 rural road rehabilitation works (4 weeks consultancy), for the development of the Environmental Safeguards Framework (3 weeks consultancy) and for the graphic design of the R4D calendars, year planners, agendas and notebooks (1.5 weeks consultancy)

National Consultants: Training Engineers: Although MPW had indicated that it may consider the assignment of 2 MPW supervisors from each of the 5 Regional Offices for R4D's 2013 rehabilitation works, this is not sufficient to meet supervision requirements. On average, at least 4 qualified MPW supervisors are required from each of the Regional Offices to ensure adequate supervision of the planned rehabilitation works. In addition, for the supervision of the planned 2013 R4D maintenance works at least 1 more MPW supervisor per Regional Office will be needed.

Given the current uncertainties regarding MPW staff availability for the supervision of R4D's 2013 road works, R4D has started the recruitment of 12 Timorese Training Engineers. These Engineers will not only fill the current gap in MPW supervisory capacity but will also provide training to the current MPW supervisors. Initially these Training Engineers will be recruited by the ILO for 6

^e Due to delays in identifying a suitable candidate, this post filled two months later than originally scheduled.

^f Pending the finalization of the recruitment of a replacement, R4D managed to recruit an international Procurement & Contract Management Consultant for 6 weeks (from 12 November to 20 December) to help to fill the gap. In the period November-December the CTA and Roads Engineering Specialist however had to provide considerable inputs in the development of the Procurement System and this had caused delays in other R4D areas.

months (as ILO consultants). Depending on MPW's supervisory capacities for construction works around mid-2013, it will be decided whether the contacts of these Training Engineers need to be extended for another 6 months or not.

National Consultants: Community Development Officers: As R4D applies - where appropriate - labour-based work methods that require a locally recruited workforce, engagement between MPW, the involved communities and the contracted local construction companies will be required. Engagement is required regarding adherence to social safeguards, the implementation of transparent labour recruitment processes, compliance with Timor-Leste's minimum wage law, training on Occupational Safety and Health (OSH), agreements between the communities and the contactor about the provision and pricing of local materials, etc.

At present MPW does not have staff available for activities related to community engagement. To facilitate and support community engagement, Timorese Community Development Officers (CDOs) are required. R4D has started the recruitment of 5 CDOs and one national Community Development Coordinator (CDC), initially for a period of 6 months (all positions will be ILO consultancy positions). It is expected that these 6 positions will be filled in January 2013. Depending on the status of MPW recruitment of CDOs by mid-2013, it will then be decided whether an extension of another 6 months of the CDOs and CDC will be required.

National Support Staff: The national staff position for the ILO post of R4D Office Assistant was only filled as of 17 November because of challenges in identifying a suitable candidate. A Translator (national consultant) was recruited for one month (starting on 26 December). 10 of the 12 driver positions were filled as per plan. Delays have been experienced in the recruitment of one more driver for Same Region and one more for Oecusse Region because initially selected candidates did not pass the medical examination. The recruitment for the two remaining posts is on-going and it is expected that these two positions will be filled by February 2013.

2.2 Office and Transport Facilities

In this period the required office and transport facilities were established to accommodate the current MPW and ILO staff at the R4D Main Office and at the 5 MPW Regional Offices. These offices are now operational. Implemented activities included office renovation works for all offices, the procurement of furniture, ICT hard- and software for ILO staff and MPW Offices^g, photocopiers, vehicles (14), motorbikes (20), mobile phones, GPS equipment, cameras, cam recorder, satellite phones, hand-held radios, air-conditioners, installation of UNDSS required security provisions, the installation of internet, etc.

In December 2012 MPW informed the ILO CTA that all staff of the Directorate of Roads, Bridges and Flood Control (DRBFC) will have to be re-located from their current location at MPW's Main Office in Dili-Mandirin to the premises where the R4D Main Office is located (Dili-Rai Kotuk -the location of the MPW Dili Regional Office). This is because of space constraints at the MPW Main Office in Mandirin.

MPW has requested R4D assistance in this respect, including the renovation of one additional building on the R4D compound in Rai Kotuk and the provision of electricity wiring and air-conditioners for kobi-houses that have been acquired by MPW and that will be placed on the compound in Rai Kotuk. In February 2013 details will be discussed with MPW. The planned re-location of the DRBFC staff to Rai Kotuk is a positive development as this will facilitate the engagement between the MPW-DRBFC staff and the ILO R4D TA staff.

^g excluding specific GIS/Database ITC hard-and software; this equipment is expected to arrive in February 2013

2.3 Procurement

Overall, the procurement of office and transport facilities and equipment has been implemented as per plan. Procurement has been undertaken in accordance with ILO's procurement rules and regulations.

Significant delays have only occurred with the planned procurement of equipment from UNMIT. Despite the confirmation by UNMIT in October about the transfer of agreed equipment (3 generators, 1 4WD vehicle, 8 printers, 1 plotter, 5 rangefinders) in December 2012, it appeared in December the plotter and rangefinders are not available anymore and that the other equipment will possibly only be transferred in February/March 2013. This has particularly affected R4D's capacity to produce maps.

Minor delays in procurement have occurred in the procurement of a second batch of 20 motorbikes and the procurement of ITC equipment for the R4D GIS and Database work. The reasons for these delays are related to delivery errors by the supplier (in the case of the motorbikes; motorbikes with wrong specifications were procured by the supplier) and delays in delivery by the supplier (in the case of the ITC equipment). However, these delays are not expected to delay the progress and it is expected that the motorbikes and ITC equipment will be delivered in the second half of February 2013.

In general the procurement of consultancy services has also been achieved as per plan. Only the recruitment of a translator was slightly delayed because of difficulties in identifying a suitable candidate. This delay will be addressed in January 2013 by procuring additional translation services (which will be needed in January for the translation of various tendering related documents).

The Procurement Unit of ILO Geneva approved the R4D 2013 Procurement Plan and the expected 2013 monthly disbursement requirements were shared with AusAID to facilitate AusAID's planning of the payment of the next budget tranches to the ILO.

2.4 Work Planning

Early October 2012 a R4D Planning/Programming workshop was organized to prepare an indicative work plan for the period November 2012 to October 2013. Representatives from AusAID and MPW (Regional Engineers and Supervisors) participated in this workshop. At that stage the Results Framework and the M&E Framework were not finalized and it was therefore not possible to structure the work plan in accordance with main activities and performance indicators of a Results and M&E Framework. Because of this, and due to the fact that not all the ILO TA staff was in place and MPW participation was limited, the work plan could not be finalized.

To address monthly work planning issues during the reporting period, and to facilitate progress monitoring, a system of combined monthly progress reporting and planning was introduced in August 2012. The designed format proved to be practical and provided adequate information to enable short-term planning (till the end of December 2012). These monthly progress/planning reports were shared with AusAID and the ILO. Progress reports were shared with the MPW designated focal person for R4D (the Regional Engineer for the Dili Region).

After the establishment of the new Government in August 2012 and the establishment of the MPW^h, intensive advocacy activities were undertaken to establish good working relations with the senior management of MPW and to advocate for an active involvement in R4D management.

^h The former Ministry of Infrastructure was split into the Ministry of Public Works and the Ministry of Transportation and Communication.

One of the outcomes of these advocacy activities was the establishment in October of a R4D Technical Working Group, chaired by the Secretary of State of Public Works. In this Technical Working Group, R4D planning issues were also discussed and agreed upon. This Working Group convened regularly in October and November but has not met in December due to time constraints on the side of MPW.

In December 2012 a start was made with the preparation of a comprehensive work plan for January - December 2013. The finalization of this work plan is scheduled for mid-February 2013 - in sync with the finalization of the M&E Framework.

2.5 Coordination, Consultations and Information Sharing

In this period R4D has established various internal and external coordination mechanisms at national and regional/level and participated in already existing coordination mechanisms. In addition, various formal and informal consultations with external stakeholders were held and these consultations were also used as a means of information sharing and increasing the visibility R4D. In addition a number of workshops were organized as a forum to share information and to aim at improved coordination with relevant stakeholders. Coordination, consultations and information sharing activities undertaken in this reporting period included:

National Level:

- a) Weekly R4D staff meetings at national level to discuss operational issues;
- b) Monthly R4D progress meetings to discuss progress/planning related issues and to share information. MPW Regional Engineers are invited to those meetings;
- c) Regular R4D Technical Working Group meetings (started in October), chaired by the Secretary of State of MPW, to discuss R4D progress/planning related issues and to share information (in December the Working Group was not active due to MPW time constraints)
- d) Planning & Programming Workshop in October - including information sharing about R4D's labour-based approach - with participation of MPW, AusAID and the EC-funded ERA Project
- e) MPW-SEFOPE-R4D consultation meetings to discuss minimum wages (agreement reached) and to coordinate the implementation of rural road works in 2013 (still on-going as SEFOPE has not finalized its selection of 2013 rural road works)
- f) Coordination and information-exchange meetings with CARE, JICA, BESIK, SEPI, UNDP, 'Our Roads our Future', ADB, ERA, UN Women, SEPI, BOSS and the Inter-Ministerial Commission for Rural Development.
- g) Bilateral formal and informal meetings and consultations with the senior management of MPW (Minister, Secretary of State, Director General for Corporate Services, Director General for Public Works, Director of DRBFC, Head of Procurement, Head of Planning, Head of Engineering, Advisor to the Minister, Legal Advisor to the Minister).
- h) Regular (monthly) meetings between the ILO CTA and AusAID about the progress of R4D
- i) Workshops about bio-engineering and environmental safeguards with participation of MPW, AusAID, ERA, Directorate of Environment of the Ministry of Commerce, Industries & Environment, UNDP, Ministry of Agriculture, Suco Development Program (AusAID-funded), CARE, RDP3 (EC-financed), JICA, ADB.
- j) Participation in the ADB-hosted monthly Infrastructure Round-table meetings.
- k) Sharing monthly progress reports with AusAID and - informally - with MPW.
- l) Information sharing and raising visibility of R4D through the production and distribution of year planners, agenda's, notebooks and calendars to MPW and other stakeholders.
- m) Information sharing about R4D to the general public. This was done through TV and national newspapers at the occasion of the inauguration of the R4D Main Program Office in Rai Kotuk by the Secretary of State of MPW.
- n) Monthly internal ILO meetings between the CTA's of the various ILO Projects in Timor-Leste and the ILO Head of Mission to discuss various administrative, security-related and project matters.

Whereas R4D has also planned to establish the R4D Program Steering Committee (to be chaired by MPW and with MSATM, ADN, SEFOPE, Ministry of Finance, AusAID, other Key Donors and ILO as members), this was not achieved. Whereas MPW is supportive of the proposal to establish such a R4D PSC, time constraints prevented the organization of initial bi-lateral meetings between MPW and the proposed members to discuss the establishment, modalities and TOR of such a R4D PSC.

Regional/District/Community Level

- a) Regular consultations between the ILO R4D Regional Engineers and the MPW Regional Engineers and staff about R4D related implementation issues.
- b) Coordination and information-sharing meetings with the District Administrator's Office and other district Government Authorities regarding the selection, planning and implementation of R4D rural road work activities at district level.
- c) Initial consultations and meetings with Suco representatives along the R4D roads proposed and selected for rehabilitation in 2013.

2.6 Monitoring, Evaluation and Reporting

Compared to the R4D Results and M&E Frameworks of the R4D Project Document, a number of changes have been made. The main changes are:

- A. The number of outputs has been reduced from 6 to 3: These relate to:
 - 1. Capacity Development of MPW;
 - 2. Capacity Development of local Contractors (this output has been added because it is not possible to achieve output 3 without achieving output 2);
 - 3. Delivery of Capital Investments of Rural Road Works.
- B. The following outputs that were included in the R4D Project Document have been removed they are considered as activities and not outputs (as such they have been included - although slightly different formulated - as activities in the new M&E Framework):
 - 1. Knowledge management unit established
 - 2. Rural roads master plan developed
 - 3. Protocol for developing Annual Action Plan
 - 4. Small contractor procurement system established

The revised Results and M&E Frameworks also include Key Performance Indicators at Outcome and Output level, specific Sources of Verification and an update of Risks and Assumptions at Outcome and Output level. The revised Results Framework and M&E Framework are attached as respectively Annex 1 and 2. The R4D updated Risk Matrix for R4D is attached as Annex 4.

Since the arrival of the M&E and KM Specialist in November, the following main M&E activities were undertaken:

- a) Start with the preparation of overall M&E Framework for R4D;
- b) Revising the Results and M&E Framework;
- c) Collecting data relevant to baseline and end-line studies from various sources
- d) Design, production and distribution of R4D calendars, year planners, calendars, notebooks;
- e) Media/visibility activities
- f) Consolidating information for monthly progress reports
- g) Inputs in the preparation of a framework to assess and monitor R4D's progress in relation to capacity building. This draft Capacity Development Assessment Matrix is attached as Annex 5 and is further discussed in paragraph 3.1.
- h) Start with design of the R4D baseline study to monitor R4D's impact at community level.

The format and structure of the R4D 6-monthly progress report has been adapted as requested

by AusAID. This adapted format and structure improves the accessibility of information that is of key importance to AusAID, and ensures that the ILO information requirements are being fulfilled.

This new structure of the 6-monthly R4D progress reports is aligned with the finalized draft R4D Results Framework and the M&E Framework. This enables a clear insight in the progress of R4D against its immediate objective (outcome) and outputs. For each of the outputs, milestone indicators that are specific to the reporting period - and achievements against these indicators - are included as well. This enables a qualitative/semi-quantitative performance assessment of R4D's progress (see chapter 3 and 4).

During the reporting period the first six-monthly progress report (March - June 2012) was prepared and submitted to ILO and AusAID, monthly progress/planning reports were prepared and shared with AusAID, ILO and (informally) MPW, and the report of the October 2012 planning/programming workshop was distributed to the key stakeholders. Workshop reports of the conducted bio-engineering workshop (December) and environmental workshop (December) were prepared but still have to be distributed to the participants/stakeholders.

3. PROGRESS TOWARDS ACHIEVEMENT OF OUTPUTS

3.1 Output 1: Capacity Building of the Ministry of Public Works

Output 1: Capacity for the planning, budgeting and delivery of investments in rural road works in MPW developed, and standards, specifications and work methods applied among other stakeholders involved in the rural roads sector

During the reporting period the following key activities were undertaken related to capacity building:

- a) Preparation of a comprehensive Matrix for assessing/monitoring the progress in Capacity Building in MPW. Yearly scoring targets related to the delivery of the outputs and the achievements of the outcome are included in this Capacity Development Assessment Matrix to facilitate monitoring of the progress. The Framework is attached as Annex 5.
- b) Preparation of a proposed organizational structure for DRBFC to ensure the establishment of functionalities within MPW that will be required to achieve R4D's outcome. A proposal for MPW staffing within the proposed organization structure has also been prepared.
- c) An assessment was made of current skills, skill-gaps and skill requirements for selected MPW staff (supervisors, assistant-supervisors and database engineers). On-the-job training and classroom training was provided to MPW Regional Engineers, supervisors and assistant-supervisors. Annex 6 provides an overview of the provided training.
- d) Start with the preparation of a comprehensive Capacity Development Strategy and Plan. The completion of a first draft is scheduled for February 2013.
- e) The establishment of functional office facilities and the provision of transport for R4D activities. These activities, which involved substantial procurement activities, were largely implemented in accordance with the plan.
- f) The development and use of systems (including standards, specifications, procedures, supporting tools, formats) required for the design and cost-estimation of the works and for pre-qualification and tendering for works (following FIDIC Short-Form of Contract). Most of these activities were implemented and completed as scheduled.
- g) The development of environmental and social safeguards frameworks, including operational procedures. Progress was as planned and it expected that the Environmental Safeguards Framework and its operational procedures will be completed in January and the Social Safeguards Framework and its operational procedures in February 2013.
- h) Assessments of the required capacities and systems for MIS/GIS within DRBFC/MPW related to the planning, monitoring and management of investments in rural road works. Progress is behind schedule because of time constraints within MPW and difficulties/delays in obtaining information and data.

Details of progress of activities against output 1 are provided in Annex 7. Annex 7 provides information per performance indicator about the progress of the activities, against the targets set for the period. The annex also includes milestone indicators for each of the performance indicators. This enables an assessment of the progress in terms of achieving output 1.

Based on the information provided in Annex 7, a summary of the performance of R4D with regards to the progress against output 1 is presented in table 1.

Table 1: Summary of R4D Performance against Output 1

No	Activities	Total Number	Activities with progress in accordance with target		Activities with progress less than targeted	
			Number	%	Number	%
1	Non-milestone activities	68	46	68%	22	32%
2	Milestone activities/indicators	13	9	69%	4	31%
3	All activities	81	55	68%	26	32%

Whereas table 1 indicates satisfactory progress against output 1 during the reporting period, it should be noted that 4 key milestone indicators have not been met in this period, the most important of these being (see also Annex 7):

- Finalize modalities and additional staff input requirements (through R4D/AusAID bridging budget support) regarding the recruitment of additional (temporary) MPW key staff for R4D, pending MPW-financed recruitment;

A proposal for the inclusion of resources for MPW HR Development for R4D / rural roads was prepared with the assistance from the ILO R4D TA but this proposal was not incorporated in the final version of MPW's 5-Year Action Plan.

A main reason why the progress of activities under output 1 is less than 100% of the target is mainly related to capacity constraints (including time constraints) in MPW. From Annex 7 it can be seen that for the 26 activities where the achieved progress is less than targeted, in 16 instances the reason of implementation delays is related to MPW capacity constraints (i.e. 62% of all cases).

An assessment of the progress in capacity development by R4D in 2012 has been made, based on the Capacity Development Assessment Matrix (CDAM) that was developed (see Annex 5). The CDAM is a tool that will enable R4D to monitor progress in capacity building -expressed in a score - for various key capacity indicators. The baseline assessment (May 2012) and an assessment by the ILO TA team of the progress in capacities as of 31 December 2012 is presented in Annex 5. A summary of the overall scores is presented in table 2.

Table 2: Summary Capacity Assessment Score of Progress regarding Capacity Development

Baseline Overall Capacity Development Index Score	Target Capacity Development Index Score as of 31.12.2012	Assessment of Achieved Capacity development Score as of 31.12.2012
0.23	0.90	0.86

The scores used in the CDAM relate to the level of availability, effectiveness, competencies and/or availability of the required capacities that are listed in the CDAM. The meaning of the scores for the different levels of capacities is explained in table 3.

Table 3: Explanation of Scores used in the Capacity Development Assessment Matrix

Capacity Indicator	Score				
	0	1	2	3	4
Effectiveness/Competency	Very low	Low	Medium	Good	Excellent
Availability	0-20%	20-40%	40-60%	60-80%	80-100%

As table 2 shows, the overall baseline capacity score indicates that at the start of R4D overall capacities are assessed as being very low to low (score: 0.23). This is because there were hardly any capacities within MPW for the planning, budgeting, designing, cost-estimating, contracting, and delivery of investments in rural road works.

Compared to the target score of 0.90 by the end of December 2012, the actual progress in capacity development as assessed is overall in line with the target. The only exception is the progress with regards to institutional capacity building.

As can be seen in Annex 5, the target for institutional capacity building was to progress from a score of 0.37 (baseline) to a score of 1.39. The actually achieved score, as assessed by the ILO TA was 1.13. The difference is due to delays in MPW finalizing its new organization structure (including functionalities for rural road investments). These delays are related to MPW capacity constraints.

3.2 Output 2: Capacity Building of Local Contractors

Output 2: Capacities of local civil works contractors developed for the implementation of the R4D investments in rural road works, using labour-based methods as appropriate

As the intended outcome of R4D depends to a large extent on the capacity of local civil works contractors to implement the works in time, as per standards and within budget, output 2 has been included in the R4D Logical Framework.

During the reporting period the following key activities were undertaken in relation to output 2:

- a) Preparations for contractors pre-bid training, including preparation of training modules
- b) Organizing for contractors' technical training through the ERA-assisted Don Bosco vocational training (for engineering-related technical training) centre and the the IADE training centre (for contract management related training)

These activities were implemented as scheduled. Details of the activities are presented in Annex 8. A Capacity Development Assessment Matrix for local contractors has also been prepared - similar to the CDAM for MPW. A baseline assessment of contractors' capacities is planned for March/April 2013, i.e. after the evaluation of the bids of the contractors who tendered for the 2013 R4D rehabilitation works.

3.3 Output 3: Delivery of R4D Capital Investments

Output 3: R4D capital investments in the construction, rehabilitation and maintenance of rural works effectively delivered, as per the GoTL/AusAID/ILO Agreement for R4D, using labour-based work methods where appropriate

The following key activities were implemented during the reporting period in relation to the delivery of R4D capital investments:

- a) Assist in preparing MPW 5-Year Action Plan and the 2013 Investment Plan for rural roads (incl. investments in R4D) and advocate for approval by MPW. This was achieved.
- b) Identification, prioritization and selection of rural roads for R4D's 2013 capital investment plans. For rehabilitation works the target (≥ 90 km) was surpassed (103 km selected). For maintenance works only 120 km - out of the targeted 300 km - were selected. The delays with this activity are related to MPW capacity constraints and delays at SEFOPE regarding the selection of rural roads for their 2013 program. Furthermore it appeared that there are less maintainable rural roads than was assumed in the R4D Project Document (this is

- also related to the fact that during the one and half year since the design of R4D the condition of rural roads has further deteriorated due to a lack of maintenance)
- c) The preparation of surveys, designs and cost-estimates for all selected R4D 2013 rural road rehabilitation works. This target was achieved. For maintenance works the target was to complete surveys for 150 km of selected roads. Only 60 km of roads could be surveyed because of MPW staff constraints and delays at SEFOPE regarding the selection of rural roads for their 2013 program.
 - d) Pre-qualification of at least 100 small contractors for R4D 2013 rural road rehabilitation & maintenance works. Overall this target was achieved. 82 contractors were pre-qualified for rehabilitation works (target: 72) and 53 for maintenance works (target 29)¹. Much effort was put in giving coverage to local contractors about the upcoming tenders for R4D rural road works and the interest shown by the local contracts has been quite promising.
 - e) Packaging of the planned R4D 2013 rural road rehabilitation works into packages that can be managed by the contractors. This was completed. An overview of the packages for the planned R4D 2013 rural road rehabilitation works is presented in Annex 10.
 - f) Incorporation of environmental and social safeguards requirements in the bid documents. This was achieved as planned
 - g) Incorporating labour-based work methods in bid documents, rate analysis formats, and specifications. Planned activities were completed as per plan.
 - h) Incorporate in the M&E framework systems to monitor compliance to environmental and social safeguards. The planned activities were completed as scheduled.

Details of the progress of activities against output 3 are provided in Annex 9. Annex 9 provides information per performance indicator about the progress of the activities, against the targets set for the period. The annex also includes milestone indicators for each of the performance indicators. This enables an assessment of the progress in terms of achieving output 3.

Based on the information provided in Annex 9, a summary of the performance of R4D with regards to the progress against output 3 is presented in table 4.

Whereas table 4 indicates satisfactory progress against output 3, it should be noted that a key milestone indicator will be the approval by the GoTL of the allocation of funds for MPW's 2013 rural roads investment plan. It is expected that this will be known in February 2013.

Table 4: Summary of R4D Performance against Output 3

No	Activities	Total Number	Activities with progress in accordance with target		Activities with progress less than targeted	
			Number	%	Number	%
1	Non-milestone activities	19	17	89%	2	11%
2	Milestone activities/indicators	5	5	100%	0	0%
3	All activities	24	22	92%	2	8%

As per prepared 2013 R4D investment plan, MPW is expected to contribute US\$ 3 million for capital investments. Should this contribution not materialize, less contract packages will be awarded than were planned.

Cost-estimates indicate (Annex 10) that US\$ 10.3 million will be required for the implementation of the planned R4D 2013 rehabilitation works. If MPW's counterpart funds will not be available, only US\$ 7.3 million worth of contract packages for 2013 rehabilitation works can be awarded to contractors. This would implicate that some of the 2013 R4D planned roads works will not be finished.

¹ Whereas the targets were met or exceeded in 6 out of the 7 districts where R4D 2013 rehabilitation works are being planned (Aileu, Baucau, Bobonaro, Covalima, Lautem, Manufahi, Oecusse), in Aileu district 9 contractors pre-qualified for R4D rehabilitation works against a target of 10 contractors.

This will adversely affect the goal of R4D and will also likely have consequences for the rehabilitation costs for those road sections that cannot be rehabilitated in 2013 (as it expected that rehabilitation costs will further increase if these sections are exposed to one more rainy season; this would also require addition survey, design and cost-estimation work).

As Annex 10 shows, average investments costs for the rehabilitation of rural road works are about US\$ 100,000 per kilometer. This is twice as expensive as anticipated in the R4D Project Document. The reasons for this substantial increase in costs are related to the following factors:

- a) Under-estimation of the rehabilitation costs in the Project Document (average costs of the TIM-Works Project were taken as a reference but it now appears that the rural roads selected by R4D are situated in more challenging terrain conditions in more remote areas and are -overall - in a worse condition than those that were implemented by TIM-Works. More durable pavement types like concrete pavements and penetration macadam pavements are also included in the designs compared to what was originally envisaged).
- b) Inclusion of comprehensive bio-engineering works in the roads rehabilitation designs.
- c) Increase in labour wages since the formulation of R4D (daily wage rate for unskilled labour was US\$ 3.0 at the time of formulating R4D. At present this rate is US\$ 4.50 per day).
- d) Higher than expected increase in costs of local construction materials since the formulation of R4D
- e) Inclusion of budgets for workers' accident & third party liability insurance, and inclusion of budgets for the provision of Occupational Safety & Health (OSH) measures in the designs and cost-estimates.

Due to the increase in rehabilitation costs, it will not be possible to achieve the physical road works targets with R4D's current budget. This issue needs to be discussed between AusAID, ILO and MPW.

3.4 Overall Progress in Outputs

Annex 4 provides an overview of the overall progress in achieving the planned outputs for the reporting period. Annex 4 shows that out of the total of 20 milestone indicators, 16 (80%) have been fully achieved.

4. PROGRESS TOWARDS ACHIEVEMENT OF OUTCOME

Outcome R4D: MPW is more effective planning, budgeting and delivering rural roads works using labour based methods, as appropriate

At outcome level 4 key performance indicators have been formulated in the finalized draft Results Framework (Annex 1). Indicator milestones related to the achievement of the outcome have been formulated and are presented in the M&E Framework (Annex 2).

Table 5 summarizes the achievements of R4D in relation to the target indicator milestones for this reporting period, i.e. as of 31 December 2012.

Table 5 shows that 3 out of the 4 milestone indicators, i.e. 75%, were achieved (in two cases even surpassed) and for 1 indicator 40% of the milestone indicator was achieved.

Whereas the performance against the outcome indicators is satisfactory as of 31 December 2012, the approval of the budget of US\$ 3 million by the GoTL for MPW-R4D work (expected in February/March 2013) will be a key performance milestone indicator (under performance indicator 2: Budget and Resource Mobilization)

Table 5: R4D Performance against Outcome

Performance Indicator		Milestone Indicator as of 31.12.2012	Achieved	Reasons for non-Achievement / Comments
1	Planning: MPW annual rural roads investment plans for selected roads prepared and approved in time, on the basis of the Rural Roads Master Plan and in accordance with MPW's 5-year investment Action Plan / R4D investment Plan	<ul style="list-style-type: none"> Approval by MPW of US\$ 3 million contribution to R4D for 2013 	Yes	
2	Budget and Resource Mobilization: GoTL's approved MPW annual budget for delivery of investments in rural road works (including budgets for capital investments, recurrent costs and HR development) in accordance with the MPW 5-Year Investment Plan / R4D Investment Plan	<ul style="list-style-type: none"> No milestone indicator this period 		<ul style="list-style-type: none"> As per GoTL budget cycle, decisions about GoTL approval of line ministries' budgets will be expected in February or March 2013
3	Surveying, Designing and Cost-Estimation: Detailed technical surveys, designs and cost-estimates completed by MPW as per plan and specifications for selected, approved and budgeted rural road works	<ul style="list-style-type: none"> Surveys, designs, cost-estimates finished for > 90 km of R4D 2013 rehab work (at TA-dependent level) Surveys completed for 150 km of R4D 2013 maintenance work (at TA-dependent level) 	<p>Yes</p> <p>40%</p>	<ul style="list-style-type: none"> Completed for 103 km. Delayed due to MPW capacity constraints and delays by SEFOPE in selection of its 2013 roads
4	Procurement and Implementation: Procurement and implementation of annual investments in rural road works done by MPW in accordance with MPW's 5-Year Action Plan for rural roads / R4D Annual investment Plan	<ul style="list-style-type: none"> Pre-qualification of at least 100 local contractors for 2013 R4D road works (at TA-dependent level) 	Yes	<ul style="list-style-type: none"> 135 local contractors pre-qualified

5. ISSUES, RISKS AND RECOMMENDED ACTIONS

Whereas the overall performance of R4D as of 31.12.2012 is considered satisfactory, resolving two key issues during the first quarter of 2013 will be very important with the regards to the scope for a successful implementation of R4D's planned construction and capacity building activities in 2013:

- MPW staff availability:** The necessary recruitment of additional (temporary) MPW staff at national and regional/district level to work with the ILO R4D Technical Assistance (TA) team. Another staffing issue is the required assignment of existing regional-level MPW staff (in particular supervisors and assistant-supervisors) at regional/district level to assist the ILO R4D TA staff with the supervision of the 2013 works (which will start in April 2013)

The ILO TA team has already prepared a proposal for the assignment of current MPW supervisors and assistant-supervisors to assist the ILO R4D TA staff in R4D's 2013 supervision works. Whereas MPW has verbally indicated its willingness to assign some of its supervisory staff, a formal commitment from MPW is preferred for the assignment of at least 12 MPW (assistant-) supervisors to ensure that construction works in 2013 can be properly supervised^j.

At national level and district level - and pending the envisaged recruitment of additional permanent MPW staff from 2014 onwards - the ILO TA has prepared a proposal regarding the recruitment of specific MPW (temporary) staff (17 positions, of which 12 at national level) through the AusAID (R4D) budget, to work alongside the ILO R4D TA team at national and district level for 2013.

Obtaining MPW's approval for this proposal, agreeing on implementation modalities through an MOU, preparing job descriptions, and recruiting these staff are key requirements to ensure that the ILO TA team can implement its capacity development activities at national level. Formal approval from ILO HQ will also be required with respect to the proposed implementation modality under such an MOU.

In case the mobilization/assignment of (temporary) MPW supervisory staff for R4D will not materialize before mid-April 2013, AusAID, ILO and MPW have to discuss alternative options to ensure that at least the scheduled 2013 physical works can be implemented and properly supervised. Possible alternatives at field supervision level that could be considered are the engagement/training of District-based MSATM supervisors who are working under the District Administrator's Offices to supervise the implementation of PDD/PDID rural infrastructure works.

Should no full-time MPW counterpart be available for the Dili-based ILO TA^k from April/May 2013 onwards, it is recommended to review the design of R4D. It is proposed that the IMG Review Mission - scheduled from 4-15 March 2013 - looks into this (counterpart-) staff matter.

2. **MPW budget availability:** The approval by the GoTL of the MPW proposed 2013 budget of US\$ 3 million for R4D capital investments in 2013 is awaited. In accordance with the GoTL budget-cycle process, a decision regarding this is expected in March 2013.

The availability of MPW funds for R4D capital investments in 2013 is a pre-requisite for awarding contracts by R4D for the US\$ 10.4 million of rural road rehabilitation works that are scheduled for tendering and implementation in 2013. Whereas MPW has already approved its R4D budget contribution internally, a decision by the GoTL regarding MPW's requested budget is only expected in March 2012.

At the time of preparation of this progress report, MPW had already informed AusAID and ILO that the GoTL Budget Review Committee has rejected MPW's budget proposal of US\$ 3 million for rural roads for R4D. The only possibility left for MPW to obtain GoTL approval for its proposed US\$ 3 million budget for 2013 for R4D is to convince the National Parliament during the Parliamentary Budget Sessions. These are scheduled from 4 - 22 February. The Director-General of MPW's Directorate of Corporate Services advised AusAID to send a formal request letter to the Minister of MPW, requesting for the US\$ 3 million MPW contribution. According to the DG, this would facilitate the Minister in his negotiations with the Parliament.

As the Ministry of Public Works (the former Ministry of Infrastructure) is mentioned in the R4D Project Document as R4D's Implementing Partner and considering the fact that DRBFC of MPW is referred to in the Project Document as being responsible for the management of

^j It is estimated that for the 2013 R4D works a total of 24 (assistant) supervisors will be required to supervise the work. To supplement the requested assignment of 12 MPW (assistant) supervisors, 12 training engineers/supervisors will be recruited under the ILO-TA (initially for 6 months) to ensure that the required supervisory capacity is in place.

^k Including staff for the following positions: M&E and Knowledge Management, Engineering, Social Safeguards, Environmental Safeguards, Capacity Building, MIS, GIS, overall Management

the GoTL funding contribution to R4D, it was implicitly assumed that GoTL counterpart budgets for R4D capital investments should be channelled through MPW. This is also reflected in the fact that the Agreement between AusAID, ILO and GoTL was signed on behalf of the GoTL by the Minister of the Ministry of Infrastructure (the current Ministry of Public Works).

Another important issue that is related to above two issues is the **commitment from MPW to R4D**. Under the previous (4th Constitutional) Government the lack of ownership and commitment was a crucial issue that adversely affected the progress of R4D from May to August 2012¹. With the split of the former Ministry of Infrastructure into the Ministry of Public Works and the Ministry of Transportation & Communication, and the installation of a new top-management within MPW, many positive signs have been noticed regarding MPW's commitments.

These include a more pro-active role of the MPW top-management in R4D, including increased openness, willingness and time availability to learn more about R4D's objective and to discuss R4D-related matters. Nevertheless, further strengthening of its commitment to R4D is required from MPW to ensure that R4D will be able to achieve its outcome.

A key constraint in this respect is related to capacity limitations within MPW, in particular concerning the number of available professional staff at national level within DRBFC. At present there are not more than 10 senior professional civil servants working in DRBFC. These staff are responsible for the entire public roads network in Timor-Leste (approximately 6,000 km). The MPW senior professional staff is very busy and it is not realistic to expect them to engage very often with R4D ILO TA staff, considering their work load.

Another factor is the physical distance between the senior MPW staff (situated at the MPW Main Office) and the ILO Dili-based R4D Office (situated at the MPW Dili Regional Office). By car, travel time between these two Offices is around 15 minutes and this creates a further constraint in terms of maintaining a close liaison.

To address above issues, the key recommendation is to arrange for additional MPW (temporary) counterpart staff to start working with the ILO R4D TA staff. Other recommendations - which have already been endorsed by MPW - are to move all the DRBFC staff to the compound where the R4D Main Office is located, and to avail one desk for ILO R4D staff at the current premises of DRBFC (at the MPW Main Office). Moving all DRBFC staff to the premises of the R4D Main Office is scheduled for the first quarter of 2013. Details of R4D's support to MPW in moving and establishing the new DRBFC Office facilities need to be discussed.

External coordination with other stakeholders is also an issue. Whereas R4D has made considerable progress in establishing contacts and coordinating with other donors, projects, training providers and other government agencies, engagement at national level with MSATM has not been established yet. Whereas at district level the District Administrator's Offices have been involved in the planning of R4D works, at national level coordination with MSATM on strategic issues - like agreeing on roles and responsibilities related to the planning, procurement and implementation of rural road works - has not materialized.

Whereas AusAID and the ILO-TA have suggested on various occasion to MPW that establishing central-level coordination with MSTAM (through a R4D Program Steering Committee) is required, this has not materialized yet. A pro-active approach from MPW is required to establish such coordination through the R4D PSC.

Risks: Annex 3 provides the updated R4D Risk Matrix, including an assessment of the various risks as of 31 December 2012. The identified risks in the Risk Matrix reflect the assumptions and risks

¹ One of the reasons also being the fact that there was reluctance among Government officials to take major decisions, pending the outcome of the Parliamentary Elections that were held in July 2012.

that have been defined in the revised Results Framework. Annex 3 shows that above risks are rated as medium risks. At present none of the risks are rated as high.

Apart from above mentioned medium risks, another medium risk is the availability of sufficient and sufficiently skilled local contractors to implement the R4D road works. In the design of R4D it was assumed that local contractors that were trained in the period 2008-2011 by the TIM-Works project and the local contractors that are currently training by the ERA project would provide a substantial pool of trained contractors. The reality shows however that this is much less the case than expected. The reasons are related to the following:

- Only 17 contractors from selected districts were trained by TIM-Works. As local contractors are only allowed to bid for works in the district where they have their official office, and considering the fact that R4D has national coverage (13 districts), this already significantly reduces the scope for inviting trained TIM-Works contractors to pre-qualify for R4D works.
- ERA only started a few months before R4D commenced and a first batch of ERA-trained local contractors is now engaged in ERA rural road works (through trial contracts)

Effectively it means that there are at present only very few local contractors that have been trained on labour-based rehabilitation of rural road work that are available for R4D. For this reason R4D is allocating substantial resources and efforts to provide training to R4D pre-qualified contractors and to contractors that are recommended for R4D contracts.

In terms of overall R4D performance issues, the key reason for shortfall in output delivery and the achievement of the outcome is mainly related to MPW commitment. Although already significant positive signals in terms of MPW commitments have been observed during the reporting period, further commitments will be required. Firm commitments with regards to the allocation of funds and counterpart staff by GoTL/MPW are needed not later than March/April 2013.

Table 6: Summary of Key Performance Issues

Performance issues	
Key reasons for shortfalls in Output Delivery, Output Quality and Immediate Objective Achievement:	
<input type="checkbox"/> Implementing partner (constituents or private entities) performance	<input type="checkbox"/> ILO (Office and staff) performance
<input type="checkbox"/> Difficulties in inter-agency coordination	<input type="checkbox"/> Inadequate cost estimates
<input checked="" type="checkbox"/> Lack of constituent or implementing partner commitment/ownership	<input type="checkbox"/> Inadequate project design
<input type="checkbox"/> ILO policy changes	<input type="checkbox"/> Counterpart funding shortfall
<input type="checkbox"/> Budget processing (revision/disbursement etc.) delays	<input type="checkbox"/> Unexpected change in external environment
<input type="checkbox"/> Community/political opposition	<input type="checkbox"/> HR difficulties (recruitment, contracts)
<input type="checkbox"/> Other - please specify:	

6. LESSONS LEARNED

The most important lessons learned from the implementation of R4D till 31 December 2012 are:

1. **Expectations:** The R4D formulation mission recommended AusAID and ILO to engage actively with Mol/MPW before the official start of R4D to ensure that all provisions were made to deploy the necessary counterpart staff and to secure funding for 2012 (see the Project Document paragraph 3.2.3). As this recommendation was not implemented, it was not surprising that Mol/MPW's commitments for 2012 did not materialize as anticipated. The Parliamentary elections in July 2012 also should have been factored in as a delaying factor.

Recommendation: at the actual start of a Program - and again after the instalment of the new Government (in August) - it would have been very useful if AusAID, MPW and ILO would

have jointly reviewed the validity of the Program's design and have made adjustments, as required. This would have avoided the creation of unrealistic expectations.

2. **Supporting Role AusAID:** AusAID's supporting role in participating in various high-level R4D meetings is very useful and should be continued. Considering the fact that overlaps in responsibilities between MPW, MSATM and SEFOPE in planning, procuring and delivering investments in rural roads lead to inefficiencies, ineffectiveness and a lack of transparency, it would be very effective to address this issue:

Recommendation: it would be useful if AusAID could mobilize resources or utilize its current resources/projects to address this issue at the highest government level.

3. **Balancing between the delivery of capital investments and capacity building activities:** Because of the time pressure on the ILO TA team to start delivering the capital investments in rural road works very soon, the team has been extremely busy with a variety of activities, including systems development, pre-qualification of contractors, designs, cost-estimations, the preparation of operational safeguards frameworks, preparations for tenders, training of supervisors, procurement related to the establishment of office facilities, etc. etc. etc.

For this reason, and also because of time constraints within MPW and a lack of counterpart staff, advocacy activities and information sharing with MPW regarding the objective and implementation modalities of R4D has taken/is taking much more time than expected and has been less effective (little time available within MPW to participate in workshops and meetings and to read documents).

Recommendation: Set initially (2013) quite modest capacity building targets and focus more on the physical road works. Demonstrating first of all that R4D - which is considered a MPW Program that is implemented with financial assistance from AusAID and technical assistance from ILO - has the capacity to deliver substantial investments of a high standard in rural road works, is one of the most powerful advocacy instruments. It is expected that this will increase the GoTL's and MPW's recognition of the role of MPW in rural roads development and maintenance and result in more funds and more GoTL/MPW commitment (BESIK has gone through a process with similar experiences).

4. **Time-frame for Capacity Development:** It should be realized that capacity development of MPW - which has virtually no capacity to plan and deliver investments in rural roads and which has major capacity constraints within the organization at large - is a long-term process. It is unrealistic to assume that within 2-3 months after the majority of the ILO TA team has been mobilized, major achievements can be expected.

Recommendation: Allow at least two years, from the start of the deployment of the majority of the ILO TA team onwards (i.e. from November 2012 onwards) to give MPW the opportunity to show its commitments and the progress in capacity development and the delivery of physical works, before deciding on an eventual second phase of R4D.

7. FINANCIAL REPORT

The certified financial report of expenditures will be submitted by ILO under separate cover, in accordance with ILO's contractual obligations to AusAID. As per information available with ILO Jakarta about R4D's expenditures, the un-audited total expenditures of R4D as of 31 December 2012 were US\$ 1,972,290. A summary of the un-audited expenditures is presented in table 6.

Table 6 provides a break-down of the expenditures per output. The break-down of expenditures on TA and equipment per output is based on - respectively - an estimate of the time allocation by the staff between the 3 outputs and the use/need of equipment under the 3 outputs.

Table 7 provides a summary of the overall budget for R4D. Out of the budget of US\$ 2,387,750 for 2012, expenditures (un-audited) until 31 December 2012 were US\$ 1,972,290. This translates to a delivery rate of 82.6% for 2012.

Table 7: Summary of Un-audited Expenditures as of 31.12.2012

ILO Budget Line	Description	Total Budget (US\$)	Expenditures as of 31.12.2012		Expenditures against Outputs as of 31.12.2012									
			US\$	% of Total Budget Line	Output 1		Output 2		Output 3		Support and Management		Security	
					US\$	% of Total Budget Line	US\$	% of Total Budget Line	US\$	% of Total Budget Line	US\$	% of Total Budget Line	US\$	% of Total Budget Line
11.99	International Experts	7,623,430	871,705	11.4%	435,853	5.7%	43,585	0.6%	305,097	4.0%	87,171	1.1%		
13.99	Adm Support Staff	529,821	21,841	4.1%							21,841	4.1%		
15.01	Travel cost	422,000	31,142	7.4%							31,142	7.4%		
16.99	Mission cost (incl M&E)	400,900	2,038	0.5%							2,038	0.5%		
17.01	Finance Support Staff	126,600	9,727	7.7%							9,727	7.7%		
17.02/51	National Consultants	200,450	2,450	1.2%	1,225	0.6%			1,225	0.6%				
21.99	Sub-contracts *	15,163,515	77,313	0.5%	77,313	0.5%								
32.99	Training	327,050	10,200	3.1%	10,200	3.1%								
41.99	Equipment**	1,070,825	641,026	59.9%	128,205	12.0%			448,718	41.9%	64,103	6.0%		
51.99	O&M Equipment & Misc.	495,461	27,204	5.5%	13,602	2.7%			13,602	2.7%				
53.01	Sundries	197,771	17,468	8.8%							17,468	8.8%		
53.03/4	Media, Visibility, Publ.	158,250	4,777	3.0%	2,389	1.5%			2,389	1.5%				
53.20	Office Rent	60,000	0	0.0%										
53.50	Security	211,000	27,008	12.8%									27,008	12.8%
	Sub-Total	26,987,073	1,743,899	6.5%	668,786	2.5%	43,585	0.2%	771,030	2.9%	233,489	0.9%	27,008	0.1%
	Program Support Cost	3,508,321	228,391	6.5%	87,588	2.5%	5,708	0.2%	100,979	2.9%	30,579	0.9%	3,537	0.1%
	Total	30,495,394	1,972,290	6.5%	756,374	2.5%	49,293	0.2%	872,009	2.9%	264,068	0.9%	30,545	0.1%
	Provision cost increase	1,150,175	0	0.0%	0		0		0		0		0	
	Grand Total	31,645,569	1,972,290	6.2%	756,374	2.4%	49,293	0.2%	872,009	2.8%	264,068	0.8%	30,545	0.1%

* Sub-contracts for R4D Office Renovation Works

** Vehicles, motorbikes, ITC equipment, furniture, survey equipment, etc.

Table 8: Summary of R4D Annual Budget

R4D BUDGET								
Line	Position	Description	Total \$	2012 \$	2013 \$	2014 \$	2015 \$	2016 \$
011	099	International Experts	7,623,430	992,633	2,596,285	2,057,720	1,802,017	174,775
013	099	Administrative Support	529,821	25,820	171,340	147,680	147,680	37,301
015	001	Travel Costs	422,000	32,000	120,000	120,000	120,000	30,000
019	099	Mission Costs	400,900	16,600	66,000	156,000	66,000	96,300
017	099	National Profession Staff	327,050	14,664	230,514	36,000	36,700	9,172
021	099	Sub-Contracts	15,163,515	190,000	8,639,625	4,500,000	1,833,890	0
032	099	Training, Workshop, Seminars	327,050	12,000	135,000	117,950	61,300	800
041	099	Equipment	1,070,825	685,115	332,000	41,200	12,110	400
051	099	Total Operational & Maintenance	495,461	73,404	142,000	145,000	110,930	24,127
053	001	Sundries	197,771	32,211	72,000	72,000	12,227	9,333
053	003	Media and Visibility	105,500	5,000	33,000	30,000	30,000	7,500
053	004	Publications	52,750	5,000	15,000	15,000	15,000	2,750
053	020	Office Rent	60,000	0	17,500	17,500	17,500	7,500
053	050	Security	211,000	28,606	66,000	50,000	50,000	16,394
		SUB Total	26,987,073	2,113,053	12,636,264	7,506,050	4,315,354	416,352
068	001	Prog. Support Cost 13.00 %	3,508,321	274,697	1,642,715	975,787	560,996	54,126
071	001	Prov. for Cost Increases	1,150,175	0	584,296	347,077	199,541	19,261
		TOTAL	31,645,569	2,387,750	14,863,275	8,828,914	5,075,891	489,739

ANNEX 1:R4D RESULTS FRAMEWORK

(Draft 1.0 – January 2013)

DESCRIPTION	KEY PERFORMANCE INDICATORS	SOURCE OF VERIFICATION	RISKS AND ASSUMPTION
GOAL Women and men in rural Timor-Leste are deriving social and economic benefits from improved road access	A. Increase in the # of local community people and other road users who have access to improved and well maintained year-round motorable rural roads as a result of R4D B. % reduction in travel times for the transportation of people, goods and services to social and economic facilities and services along R4D roads C. % reduction in transportation costs for the transportation of people, goods and services along R4D D. % increase in the movement of people, goods and services due to increased frequency and variety of available public and private transport along R4D roads E. % increase in the availability and use of economic assets/services and social facilities/ services by local communities in the area of influence of R4D roads F. # HHs earning 750 US\$/HH in the local communities as a result of cash transfers (wages) through R4D road works G. % increase in economic benefits due to improved rural road access in the communities situated within the area of influence of the R4D	<ul style="list-style-type: none"> • Snapshots • Transport Studies • Road Condition Surveys • Environmental Studies • Workers' Surveys • Secondary Data • Contracts Management Information System • Mid-term and final evaluation reports • Six-monthly Progress Reports • Completion Report 	<ul style="list-style-type: none"> • No major destabilizing social, economic or political crisis • No major natural disasters • Rural road infrastructure development and rural development remain key priority for GoTL

DESCRIPTION	KEY PERFORMANCE INDICATORS ^m	SOURCE OF VERIFICATION	RISKS AND ASSUMPTIONS
OUTCOME MPW is more effectively planning, budgeting and delivering rural roads works using labour based methods, as appropriate	1. PLANNING: MPW annual rural road investment plans (# US\$ million) for R4D rehabilitation / maintenance roads (GoTL + AusAID contribution) prepared and approved in time (for next year implementation), on the basis of the Rural Roads Master Plan and in accordance with MPW 5-year investment Action Plan/R4D Investment Plan	<ul style="list-style-type: none"> • MPW's approved 5-year Action Plan • MPW's approved annual investment plans • MPW's approved Rural Roads Master Plan • R4D Project Document • Approved MPW list of annually selected road works and indicative cost-estimates 	<ul style="list-style-type: none"> • GoTL is committed to allocate sufficient resources to MPW for capital investment and the establishment of adequate capacities and structures for the delivery of investments in rural road works • Commitment within MPW/DRBFC to establish effective structures and develop capacities required for the delivery of investments in rural road works, using labour-based methods, as appropriate • Sufficient interest and capacities available among District and local authorities to support the planning and implementation of rural road investments at district level • Sufficient capacity and interest available among local contractors and local communities to implement the rural road works, using labour-based methods. • MPW adopts GoTL's Environmental laws and regulations
	2. BUDGETING & RESOURCE MOBILIZATION: GoTL's approved MPW annual budget for delivery of investments in rural road works for R4D (including budgets for capital investments, recurrent costs and HR development) in accordance with the MPW 5-Year Investment Plan / R4D Investment Plan	<ul style="list-style-type: none"> • Approved GoTL annual budget for MPW rural roads investments as per MPW investment plans • Approved designs, BoQs and cost-estimates 	
	3. SURVEYING, DESIGNING AND COST-ESTIMATION: Detailed technical surveys, designs, BoQs, and cost-estimates completed by MPW in time, as per specifications and in accordance with annual MPW investment plan for rural roads	<ul style="list-style-type: none"> • Annual Capacity Development progress reports • R4D 6-monthly progress reports • IMG reports and mid-term and final evaluation reports 	
	4. PROCUREMENT & IMPLEMENTATION: Procurement and implementation of # US\$ capital investments in rural road works delivered by MPW through local contractors, in accordance with the MPW/R4D annual investment and implementation plan, following agreed procedures, standards, specifications and work methods.	<ul style="list-style-type: none"> • MPW approved survey reports, technical designs and detailed cost-estimates • MPW Contracts Management Information System • Certificates of completion of works • Road conditions inventory reports 	

^m Annual Key Performance Targets related to the Outcome are mentioned in the document "R4D BASELINE ASSESSMENT OF DRBFC CAPACITIES RELATED TO THE DELIVERY OF REHABILITATION AND MAINTENANCE INVESTMENTS IN RURAL ROADS THROUGH R4D, AND KEY PERFORMANCE INDICATORS". References to these Key Performance Targets as mentioned in abovementioned document are indicated for every Key Performance Indicator related to the Outcome in *Italic script*.

OUTPUTS AND OUTPUT PERFORMANCE INDICATORS	SOURCES OF VERIFICATION	RISKS & ASSUMPTIONS
Output 1: Capacity for the planning, budgeting and delivery of investments in rural road works in MPW developed, and standards, specifications and work methods applied by other stakeholders involved in the rural roads sector.		
<p>1.1. Functional MPW organizational structure for the planning and delivery of investments in rural road works, including KM functionalities operational, as per developed and approved MPW organizational structure</p> <p>1.2. MPW staff assigned for the planning, budgeting, contracting, implementation, progress reporting and (impact) monitoring of investments in rural road works in accordance with the prepared and MPW approved HR capacity development plan</p> <p>1.3. Skilled staff available for planning, budgeting, contracting and implementation as per approved HR capacity development plan</p> <p>1.4. Functional office facilities, equipment and transportation available that are required for the planning, budgeting, delivery and monitoring of investments in rural road works</p> <p>1.5. Systems developed, approved and used by MPW for the preparation of investment plans, budgets, work plans, designs, cost-estimates, tenders, contracts, progress reports, technical reports and monitoring reports</p> <p>1.6. Up-to-date and complete information/data readily available to MPW staff for planning, budgeting, designing, cost-estimation, tendering, contracting, reporting and monitoring/evaluation of investments in rural road works.</p>	<ul style="list-style-type: none"> • R4D 6-monthly progress reports and annual IMG reports • Mid-term and final evaluation reports • Capacity Development Strategy and Plan • Annual Capacity Development progress reports <ul style="list-style-type: none"> • R4D 6-monthly progress reports and annual IMG reports • Mid-term and final evaluation reports • Capacity Development Strategy and Plan • Annual Capacity Development progress reports <ul style="list-style-type: none"> • R4D 6-monthly progress reports and annual IMG reports • Mid-term and final evaluation reports • Capacity Development Strategy and Plan • Annual Capacity Development progress reports <ul style="list-style-type: none"> • R4D 6-monthly progress reports and IMG reports • Mid-term and final evaluation reports • Capacity Development Strategy and Plan • Annual Capacity Development progress reports <ul style="list-style-type: none"> • Approved supporting systems (including processes, procedures, tools, specifications) and standards • MPW approved investment plans, budgets, designs, cost-estimates, tenders, contracts • R4D 6-monthly progress reports and IMG reports • Mid-term and final evaluation reports • Capacity Development Strategy and Plan • Annual Capacity Development progress reports <ul style="list-style-type: none"> • Prepared and approved R4D KM strategy, plan and budget • MPW's MIS system/ data for planning, delivering & monitoring rural road investment • Prepared investment plans, budgets, designs, cost-estimates, tenders, contracts, MPW progress, technical and 	<ul style="list-style-type: none"> • MPW committed to the inclusion of functionalities and staff resources for planning and delivering of investments in rural roads in its organizational structures • Sufficient resources available for HR and recurrent budget • Sufficient receptiveness, political willingness and technical capacity among other stakeholders

<p>1.7. Target ministries, international agencies and projects involved in rural road development have recognized the importance and role of MPW/R4D in rural roads development, coordinate with MPW/R4D, and adopted MPW / R4D's standards, specifications and work methods.</p>	<p>monitoring reports</p> <ul style="list-style-type: none"> • R4D 6-monthly progress reports, mid-term & final evaluation reports • Mid-term & final evaluation reports • R4D 6-monthly progress reports • Standards, specifications and work methods of other ministries, agencies, projects 	
<p>Output 2: Capacities of local civil works contractors developed for the implementation of the R4D investments in rural road works, using labour-based methods as appropriate</p>		
<p>2.1 At least 2 tender-compliant bids received from local civil work contractors for xx % of the R4D tendered rural road works contract packages.</p> <p>2.2 % of the value of the contracted R4D rural road packages completed by local small contractors as per design, standards and specifications, and in time.</p> <p>2.3 % of local civil works contractors awarded more than 1 rural road works contract: Annual targets:</p> <p>2.4 Contractors show an increase in their yearly business turn-over after the successful completion of their R4D training and/or contracts.</p>	<ul style="list-style-type: none"> • Evaluation reports of tenders • R4D 6-monthly progress reports • Mid-term and final evaluation reports • Progress reports from MPW/R4D Contracts Management database • Monthly supervisors' progress reports and R4D rural roads completion reports • Signed contracts • R4D 6-monthly progress reports, work plans and budget expenditure reports • Mid-term and final evaluation reports • ERA training evaluation reports • Reports from MPW/R4D Contracts Management database • Signed contracts • R4D 6-monthly progress reports • Mid-term and final evaluation reports • Contractors Tracer study 	<ul style="list-style-type: none"> • Sufficient numbers of pre-qualified local contractors available and interested to bid for R4D works • Sufficient capacities available at ERA, and the Don Bosco and IADE training providers to provide the required formal technical and managerial training of contractors

Output 3: R4D capital investments in the construction, rehabilitation and maintenance of rural works effectively delivered, as per the GoTL/AusAID/ILO Agreement for R4D, using labour-based work methods where appropriate.		
3.1 Capital investments delivered for the construction of 40 km of new rural roads, the rehabilitation of 450 km of rural roads, periodic maintenance of 700 km of rural roads and the routine maintenance of 1.100 km of rural roads ⁿ .	<ul style="list-style-type: none"> • MPW/R4D Contracts Management database • R4D 6-monthly progress and budget expenditure reports • Mid-term and final evaluation reports • Road works completion reports • Monthly supervisors report • IMG reports 	<ul style="list-style-type: none"> • Sufficient interest and capacities of local contractors • Additional funding available from AusAID and GoTL (considering the cost-increase in works – compared to the estimates made in the original R4D design in 2011).
3.2 On average, 70% of the awarded contract packages delivered in time, within budget and as per specifications.	<ul style="list-style-type: none"> • MPW/R4D Contracts Management database • R4D 6-monthly progress reports • Mid-term and final evaluation reports • Field inspection reports • Road works completion reports • IMG reports 	<ul style="list-style-type: none"> • Sufficient interest among the local communities to be engaged as construction workers
3.3 Less than 10% repair costs (as % of the initial investment costs in rehabilitation or construction) beyond scheduled investments in routine and periodic maintenance.	<ul style="list-style-type: none"> • Cost-estimates from field inspection reports • R4D 6-monthly progress reports • IMG and mid-term and final evaluation reports • MPW/R4D Contract Management Database 	<ul style="list-style-type: none"> • No natural disasters or unexpected extremely heavy rainfall
3.4 About 20% of the total R4D capital investments spent on wages for community workers, of which at least 30% for women	<ul style="list-style-type: none"> • MPW Contracts Management database • Muster rolls and payment receipts • Monthly Supervisors' progress reports • Workers Survey • R4D 6-monthly progress reports 	<ul style="list-style-type: none"> • Agreement between R4D and MPW about recommendations regarding contractors' selection

ⁿ Whereas the R4D Project Document assumed that the average costs for the rehabilitation of 1 km of rural roads would be US\$ 50,000, the actual average costs per km for the first batch of 46 contract packages for rural road rehabilitation works show that the costs per km are almost US\$ 100,000. This cost-increase is due to the increase in labour wages since the preparation of the R4F Project Document, the inclusion of bio-engineering works and provisions for the costs of social safeguards in the designs, the provision of more drainage structures in the designs than originally envisaged, and an increase of local construction materials since the preparation of the Project Document. Due to this cost increase it will only be possible to retain the original physical targets if the GoTL allocates more funds to R4D than originally planned. In addition AusAID's contingency funds for R4D can possibly be used.

ANNEX 2: R4D M&E FRAMEWORK

(Draft 1.0 - January 2013)

GOAL	2012	2013		2014		2015		2016	
	Baseline	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Women and men in rural Timor-Leste are deriving social and economic benefits from improved road access									
Performance Indicator A	# of local community people and other road users who have access to improved and well maintained year-round motorable rural roads as a result of R4D								
Targets ¹⁵ and Achievements:	0	50,000		105,000		175,000		190,000	
Time-frame Collection Data/Info	Jun-Sep			Mar-May (for 2013)		Mar-May (for 2014)		Mar-May (for 2015)	
M&E Survey, Studies and Data	Community Snapshot, Road Condition Survey, Transport Study, Environmental Study, Secondary Data								
Performance Indicator B	% reduced travel times for transporting people, goods and services to social and economic facilities and services along R4D roads								
Targets and Achievements:	0	35%		35%		35%		35%	
Time-frame Collection Data/Info		Mar-May (baseline)		Mar-May (for 2013)		Mar-May (for 2014)		Mar-May (for 2015)	
M&E Surveys, Studies and Data	Community Snapshot, Road Condition Survey, Transport Study, Secondary Data								
Performance Indicator C	% reduction in transportation costs for the transportation of people, goods and services along R4D roads								
Targets* and Achievements:	0	10%		15%		20%		25%	
Time-frame Collection Data/Info		Mar-May (baseline)		Mar-May (for 2013)		Mar-May (for 2014)		Mar-May (for 2015)	
M&E Surveys, Studies and Data	Community Snapshot, Transport Study, Secondary Data								
Performance Indicator D	% increase in the movement of people, goods and services due to increased frequency and variety of available public and private transport along R4D roads								
Targets* and Achievements:	0	10%		15%		20%		25%	
Time-frame Collection Data/Info		Mar-May (baseline)		Mar-May (for 2013)		Mar-May (for 2014)		Mar-May (for 2015)	
M&E Surveys, Studies and Data	Community Snapshot, Transport Study, Secondary Data								
Performance Indicator E	% increase in the availability and use of economic assets/services and social facilities/ services by local communities in the area of influence of R4D roads								
Targets* and Achievements:	0	10%		15%		20%		25%	
Time-frame Collection Data/Info		Mar-May (baseline)		Mar-May (for 2013)		Mar-May (for 2014)		Mar-May (for 2015)	
M&E Surveys, Studies and Data	Community Snapshot, Transport Study, Business & Service Providers Survey, Secondary Data								
Performance Indicator F	# HHs earning 750 US\$/HH in the local communities as a result of cash transfers (wages) through R4D road works								
Targets ¹⁶ and Achievements:	0	3,200		4,800		6,400			
Time-frame Collection Data/Info		Jul-Dec		Jan-Dec		Jan-Dec		Jan-Mar	
M&E Surveys, Studies and Data	Workers Survey, R4D Contract Management Database								
Performance Indicator G	% increase in economic benefits due to improved rural road access in the communities situated within the area of influence of the R4D roads								
Targets* and Achievements:	0	0		5%		10%		15%	
Time-frame Collection Data/Info		Mar-May (baseline)		Mar-May (for 2013)		Mar-May (for 2014)		Mar-May (for 2015)	
M&E Surveys, Studies and Data	Community Snapshot, Transport Study, Business & Service Provider Survey, Secondary Data								

¹⁵ Targets have been estimated by using reference information from: a) the TIM-Works Impact Study; b) information about the estimated total length of the rural road network in Timor-Leste (3,000 km); c) R4D physical road development and maintenance targets; d) Government data on the total number of Suco's in Timor-Leste (442) and estimates of the rural population in Timor-Leste

* Targets based on findings from TIM-Works projects and impact studies from other rural road projects in Asia

¹⁶ Based on 20% cost of capital investments spent on wages (based on estimates for R4D 2013 works), investment costs for rehabilitation US\$ 100,000/km, investments costs for routine maintenance US 1,000/km, investment costs for periodic maintenance US\$ 10,000/km, physical annual targets R4D, the assumption that per household one worker participates in the R4D works, labour-input requirements per km for rehabilitation/construction and maintenance activities respectively 3,600 (based on R4D estimates for 2013 rehabilitation works) and 360 (based on information from TIM-Works and similar rural road programs in Asia), average daily wages US\$ 5 (weighted average skilled, semi-skilled and unskilled wage rates), 6 months construction period and no rotation of labour within communities. **Note:** compared to cost estimates for R4D rural works in the R4D Project Document, current cost-estimates prepared by R4D indicate that the costs have doubled. The mentioned targets assume the same total length of rural road works improved and maintained under R4D as per the Project Document and the availability of increased funds (twice as much as originally foreseen) from GoTL/AusAID to deliver the works.

OUTCOME	2012	2012		2013		2014		2015	
	Baseline	Target	Actual	Target	Actual	Target	Actual	Target	Actual
MPW is more effectively planning, budgeting and delivering rural roads works using labour based methods, as appropriate									
Performance Indicator 1	PLANNING: MPW annual rural road investment plans (# US\$ million) for R4D rehabilitation/maintenance roads (GoTL + AusAID contribution) prepared and approved in time (for next year implementation), on the basis of the Rural Roads Master Plan and in accordance with MPW 5-year investment Action Plan/R4D Investment Plan ^{*17}								
Targets* and Achievements:	0	12/12	10.3	9/18		11/24			
Time-frame Verification		Oct-Nov (for 2013)		Oct-Nov (for 2014)		Oct-Nov (for 2015)		Oct-Nov (for 2016)	
Main Source of Verification	MPW approved annual Budget and Plan, Rural Roads Master Plan								
Performance Indicator 2	BUDGETING AND RESOURCE MOBILIZATION: GoTL’s approved MPW annual budget for R4D (# US\$ million) for delivery of investments in rural road works (including budgets for capital investments, recurrent costs and HR development) in accordance with MPW 5-Year Investment Plan/R4D Investment Plan								
Targets* and Achievements:	0	0	0	3/3		6/12		9/18	
Time-frame Verification				Mar		Mar		Mar	
Main Source of Verification	GoTL approved Annual Budgets								
Performance Indicator 3	SURVEYING, DESIGNING AND COST-ESTIMATION: Detailed technical surveys, designs, BoQs, and cost-estimates completed and approved by MPW for # km of rural road rehabilitation/maintenance works, in time and per specifications								
Targets* and Achievements:	0	90/300	103/0	150/655		210/1100		?	
Time-frame Verification		Dec (for 2013)		Dec (for 2014)		Dec (for 2015)		Dec (for 2016)	
Main Source of Verification	Prepared and approved surveys, designs and cost-estimates								
Performance Indicator 4	PROCUREMENT & IMPLEMENTATION: Procurement and implementation of # US\$ capital investments in rural road works done by MPW through local contractors, as per plan, and in accordance with specifications, standards, procedures and labour-based work methods								
Targets* and Achievements:	0	0		12/12		9/18		11/24	
Time-frame Verification				Dec		Mar (2013 works) and Dec		Mar (2014 works) and Dec	
Main Source of Verification	Contract completion certificates, contract management database, road condition surveys, EMMP								

OUTPUT MONITORING

- For each Output, Performance Indicators have been formulated.
- Under each Performance Indicator, Main Activities have been defined (the intention is to keep these Main Activities unchanged throughout R4D).
- Under each Main Activity specific Sub-Activities will be identified in the Annual Work Plans.
- The most important Sub-Activities will be marked as Milestone Indicators in the Work Plan.
- The Progress against the Milestone Indicators will be monitored as an indicator of progress against the outputs.

Below the output monitoring framework for the 3 outputs is presented. The status of achievement of the outputs as of 31 December 2012 against the milestone indicators is presented in Annex ... of the July-December 2012 Progress Report.

^{*3} Compared to cost estimates for R4D rural works in the R4D Project Document, current cost-estimates prepared by R4D indicate that the costs have doubled. **THE MENTIONED TARGETS SHOW: TARGET AS PER PROJECT DOCUMENT / TARGET REFLECTING INCREASED COSTS.** The physical targets as mentioned in the Project Documents have not been changed (although the timing of the investments has been modified reflecting the lack of MPW funds for 2012).

Output 1: Capacity for the planning, budgeting and delivery of investments in rural road works in MPW developed, and standards, specifications and work methods applied among other stakeholders involved in the rural roads sect				
Performance Indicators and Main Activities	Milestone Indicators (i.e. Key Sub-Activities) for Reporting Period	Reporting Period Target	Achievement against Target Work Plan	Reasons for Non-Achievement / Observations
Performance Indicator 1.1: MPW organizational structure for the planning and delivery of investments in rural road works in place, including KM functionalities, as per developed and approved MPW organizational structure				
1.1.1 Assessment Current Gaps in Organizational Structure and Work Flow Processes				
1.1.2 TA Support in Developing Organizational Structure and Work Flow Processes				
1.1.3 TA Support in Implementing Organizational Structure and Work Flow Processes				
1.1.4 TA Support to Set-up and Implement Internal MPW Coordination Mechanism				
1.1.5 Advocacy Activities				
Performance Indicator 1.2: MPW staff assigned for planning, budgeting, contracting, implementation, progress reporting and (impact) monitoring of investments in rural road works in accordance with the prepared and MPW approved HR capacity development plan				
1.2.1 Identification/Assessment of MPW Staff Requirements				
1.2.2 TA in Preparation of MPW HR Recruitment Plan				
1.2.3 Recruitment of MPW Staff for R4D				
1.2.4 Advocacy Activities				
Performance Indicator 1.3: Skilled staff available for planning, budgeting, contracting and implementation as per approved HR capacity development plan				
1.3.1 Assessment of current Skills/Capacities in MPW				
1.3.2 Identification of Skills Requirements of Staff				
1.3.3 Develop Staff Capacity Development Strategy/Plan				
1.3.4 Implement Staff Capacity Development Activities				
1.3.5 Short-term TA Support in Bridging MPW Staffing Gaps				
1.3.6 Advocacy Activities				
Performance Indicator 1.4: Office facilities, equipment and transportation available that is required for the planning, budgeting, delivery and monitoring of investments in rural road work				
1.4.1 Assessment of Requirements				
1.4.2 Procurement				
1.4.3 Operations & Maintenance Support				
Performance Indicator 1.5: Systems developed and approved by MPW for the preparation of investment plans, budgets, work plans, designs, cost-estimates, tenders, contracts, progress reports, technical reports and monitoring reports				
1.5.1 Preparation of Rural Roads Master Plan (RRMP)				
1.5.2 Implementation and Yearly Updating of RRMP				
1.5.3 Preparation and application of systems (including standards, formats, guidelines, templates, specifications) related to R4D rural roads engineering				
1.5.4 Development and application of procurement systems for rural road works				
1.5.5 Develop & apply GIS/MIS systems for planning & monitoring rural road invest.				
1.5.6 Develop & apply systems to monitor the impact of improved rural road access				
1.5.7 Development and application of Environmental Safeguards Framework (ESF)				
1.5.8 Development and application of Social Safeguards Framework (SSF)				
1.5.9 Preparation and application of the R4D Results Framework and M&E Framework				
1.5.10Preparation of Annual Work Plans				
1.5.11Develop & implement R4D internal QA and QC Strategy and Plan				
1.5.12Advocacy Activities				
Performance Indicators 1.6: MPW knowledge of and support to R4D, and up-to-date and complete information/data readily available to MPW staff for planning, budgeting, designing, cost-estimation, tendering, contracting, reporting and monitoring/evaluation of investments in rural road works				
1.6.1 R4D information sharing and advocacy activities				
1.6.2 Develop & implement MPW Knowledge Management and Communication Plan				
Performance Indicator 1.7: Target ministries, international agencies and projects involved in rural road development have recognized the role and importance of MPW/R4D in rural roads development, coordinate with MPW/R4D, and adopted MPW / R4D's standards, specifications and work methods				
1.7.1 Information sharing, dissemination and coordination with various stakeholders				
1.7.2 Establish R4D Program Steering Committee and convey first PSC meeting				

Output 2: Capacities of local civil works contractors developed for the implementation of the R4D investments in rural road works, using labour-based methods as appropriate

Performance Indicator and Main Activities	Milestone Indicators (Key Sub-Activities) for Period	Reporting Period Target	Achievement against Work Plan	Reasons for Non-Achievement
Performance Indicator 2.1: At least 2 tender-compliant bids received from local civil work contractors for xx % of the R4D tendered rural road works contract packages.				
2.1.1 Training contractors on bid preparation				
Performance Indicator 2.2: % of the value of the contracted R4D rural road packages completed by local small contractors as per design, standards and specifications, and in time				
2.2.1 Training contractors in contract management and contract/work supervision				
Performance Indicator 2.3: % of local civil works contractors awarded more than 1 rural road works contract: Annual targets:				
2.2.2 Adjust pre-qualification and bid award procedures				
Performance Indicator 2.4: Contractors show an increase in their yearly business turn-over after the successful completion of their R4D training and/or contracts				
2.3.1 Track performance contractors on annual basis after completion R4D contracts				

Output 3: R4D capital investments in the construction, rehabilitation and maintenance of rural works effectively delivered, as per the GoTL/AusAID/ILO Agreement for R4D, using labour-based work methods where appropriate

Performance Indicator and Main Activities	Milestone Indicators (Key Sub-Activities) for Period	Reporting Period Target	Achievement against Work Plan	Reasons for Non-Achievement
Performance Indicator 3.1: Capital investments delivered for the construction of 40 km of new rural roads, the rehabilitation of 450 km of rural roads, periodic maintenance of 700 km of rural roads and the routine maintenance of 1.100 km of rural roads				
3.1.1 Prepare MPW/R4D (Investment) Plans for Rural Roads Investments				
3.1.2 Identification, prioritization selection and approval of MPW rural road projects				
3.1.3 Surveying, designing and cost-estimations of rural road projects				
3.1.4 Pre-qualification & tender for approved road projects				
3.1.5 Recommend, approve and award contracts to contractors for road works				
3.1.6 Implement construction, rehabilitate and maintain rural road works				
3.1.7 Advocacy activities to secure GoTL funding for R4D capital investments				
Performance Indicator 3.2: X % of the value of the contracted R4D rural road packages completed by local small contractors as per design, standards and specifications, and in time (X: 2013: 60%; 2014: 70%; 2015: 80%)				
3.2.1 Daily supervision of the performance of contractors in the field				
3.2.2 Preparation of monthly supervision reports about performance of contractors				
3.2.3 Monthly reporting on financial and physical progress of the contractors				
3.2.4 Monthly reporting on progress and performance of the contractors				
3.2.5 Based on findings from supervision/monthly reports, take corrective action				
Performance Indicator 3.3: Less than 10% repair costs (as % of the initial investment costs in rehabilitation or construction) beyond scheduled investments in routine and periodic maintenance.				
3.3.1 Prepare quarterly site inspection reports of completed works				
3.3.2 Prepare 6-monthly reports with information about unforeseen repair costs				
3.3.3 Prepare designs & cost-estimates to repair unforeseen costs and repair				
Performance Indicator 3.4: 20% of R4D investments in rural road works spent on wages - of which at least 30% for women workers				
3.4.1 Promote the application of labour-based work methods and incorporate these methods in the design and implementation of the rural road works				
3.4.2 Assess (seasonal) availability of local labour to enable programming of construction works of road project works in relation to labour availability				
3.4.3 Incorporate and implement in the R4D Community Engagement Strategy approaches related to the involvement of community workers in the construction works, including the participation of at least 30% women				
3.4.4 Monitor sex-disaggregated information about the numbers of worker-days of work generated and payments made to workers				
3.4.5 Based on generated information about involvement of community workers in construction works, analyse the effectiveness and feasibility of performance indicator 3.4 and adjust the strategy, approach and activities, as required				

ANNEX 3: RISK MATRIX AS OF 31 DECEMBER 2012

Key Risk		Impact (1)	Likelihood (2)	Seriousness (1)x(2)	Scores Impact and Likelihood: 1: Low 2: Medium 3: High	Scores Seriousness ≤ 3: Low 4-6: Medium 9: High	Mitigation measures	Note: Where risks that are applicable at a lower level in the logical framework hierarchy are already mentioned at a higher level, these risks are not repeated again at these lower levels.
GOAL: Women and men in rural Timor-Leste are deriving social and economic benefits from improved road access								
1	Major destabilizing social, economic or political crisis	3	1	3	<ul style="list-style-type: none">Risks will be monitored regularly by R4D in its working areas and at national level. Should conflict arise, ILO and AusAID will jointly decide on the course of action.R4D, through providing substantial short-term employment opportunities to the local population, is expected to contribute to reducing the risk of civil unrest			
2	Major natural disasters	3	1	3	<ul style="list-style-type: none">Adequate construction specifications - taking into account expected effects of climate change in Timor-Leste related to rainfall patterns - and environmental safeguards will be applied to minimize erosive effects of rainfall-related natural disastersThe maintenance regime that R4D will apply will reduce possible adverse effects of heavy rains and floods on the condition of the roads.			
3	Rural roads and infrastructure development are no longer a key priority for the GoTL and the MPW	3	1	3	<ul style="list-style-type: none">Policy dialogue, drawing on and demonstrating the outputs, effects and impacts of TIM-Works and R4D to build political commitment to investments in rural roads.Through R4D’s capacity building activities the Program will be able to gradually develop DRBFC’s ability to influence the allocation of GoTL budgetsAlignment of R4D with GoTL’s priorities for investments in rural roads as outlined in the SDP 2011-2030Continuous advocacy between AusAID/ILO and the Ministry of Public Works to promote rural road development in Timor-Leste.			
4	Direct income for men and women from road works contributes to tensions in/between communities and road works lead to negative impacts from outside workers	1	1	1	<ul style="list-style-type: none">Measures in the R4D Social Safeguards Framework to monitor and manage any adverse gender outcomes, including providing socialization and facilitation support to involved local contractors and communities and promoting gender equality and HIV/AIDS awareness.Ensure physical works programming that respects Aldeias’ and Sucos’ possible reluctance to employ workers from outside of their administrative boundaries to work on R4D roads within their [Aldeia or Suco] boundaries.Ensure adherence to the principle of equal access to job opportunities for local community members – women and men alike – to R4D short-term job opportunities			
5	Land acquisition issues and distribution of benefits contribute to conflict	1	1	1	<ul style="list-style-type: none">Appropriate procedures will be implemented for accessing land and ensuring benefits are equitably distributed within and between communities.R4D’s main focus is on rehabilitation and maintenance of existing rural roads and these works are not expected to require significant land acquisition. Where minor land acquisition is required along existing alignments, R4D will enter into a dialogue with concerned local beneficiaries and Chiefs of Aldeias/ Sucos to settle such issues locally.R4D has the provision for the construction of 40 km of new rural roads, for which it is proposed that GoTL funds will be used. Land acquisition that may be required in such cases, will have to follow relevant GoTL procedures and regulationsR4D will involve the beneficiaries in the identification, planning and implementation of the rural road works.Transparent systems for labour recruitment will be used, based on the principle of equal access to short-term job opportunities for women and men.			
OUTCOME: MPW is more effectively planning, budgeting and delivering rural roads works using labour based methods as appropriate								
6	The GoTL does not allocate sufficient resources to MPW for capital investments and the establishment of adequate capacities and structures for the delivery of investments in rural roads works	3	2	6	<ul style="list-style-type: none">Advocacy activities aiming at the approval of the MPW proposed rural road budgets by the GoTL.Support GoTL in finalizing a comprehensive Rural Roads Master Plan (RRMP), which will provide a powerful instrument to secure required funds from the State Budget for investments in the rural roads sub-sector.R4D will provide substantial support to DRBFC in building capacity for and in supporting the preparation of well-informed and argued investment proposals, drawing upon information from an MIS that will be developed.By improving DRBFC’s delivery performance through R4D, it is expected that the confidence of GoTL in DRBFC’s capacities to deliver investments in the rural roads sector will increase and that gradually more funds will be channeled through DRBFC for investments in rural roads infrastructure.			
7	Insufficient commitment within MPW/DRBFC to establish effective structures, assign staff and develop capacities required for the delivery of investments in rural roads works, using LBM as appropriate	3	2	6	<ul style="list-style-type: none">R4D will build leadership and staff commitment through close engagement with senior officials, through policy dialogue and by the integration of R4D’s set-up within DRBFC’s institutional structures and procedures.Capacity development activities will be assessed, planned and implemented with close involvement of DRBFC to manage the risks posed by staff turnover. Through capacities built in DRBFC, R4D will be able to support DRBFC in building capacities for the planning and procurement of rural road works.Sufficient flexibility has been built in the R4D budget to enable co-sponsoring DRBFC counterpart staff during the first two years of implementation, thus providing MPW and DRBFC with sufficient lead-time to enable them to budget and provide resources for DRBFC counterpart staff.A long term perspective (initially for 4 years – aiming at achieving DRBFC performance at “guided-assisted” level – but with the possibility of considering a 4-years extension			

					<p>to achieve performance at independent level. The strategy will include gradual handing-over of responsibilities will provide for sustainable institution building.</p> <ul style="list-style-type: none"> • Sufficient flexibility has been incorporated in R4D's design to ensure that R4D's capacity of delivering the envisaged physical works will not be jeopardized.
8	MPW does not adopt the GoTL's environmental laws and regulations	2	1	2	<ul style="list-style-type: none"> • Labour-based construction methods ensure that interventions are environmentally friendly and will not cause long-term irreversible environmental impacts • R4D, using its Environmental Safeguards Framework, will introduce environmental safeguards measures to minimize adverse environmental impacts.
9	R4D IPs not committed to gender equality goals and different needs and constraints of women and men not taken into account	1	1	1	<ul style="list-style-type: none"> • Through the inputs of the ILO Gender Specialist in the collection and analysis of data with a gender and disability perspective and through the design of specific training activities on gender and disability awareness at community level and on gender mainstreaming for MPW, DRBFC officials and other implementing partners, the project will increase the understanding of equity and equality concepts and commitment to gender equality goals.
10	Uncertainty about future role of DRBFC Regional Offices affects the planning/delivery of road works	1	1	1	<ul style="list-style-type: none"> • The current institutional set-up of R4D includes the placement of ILO Regional Engineers at DRBFC's Regional Offices. In case these Regional Offices will be discontinued, it is expected that the DRBFC staff of these Regional Offices will be re-located at national or district level. In that case the ILO Regional Engineers can remain posted in the districts where these Regional Offices are located.
11	A labour-based approach is not adopted by GoTL	2	1	2	<ul style="list-style-type: none"> • Experiences from TIM-Works indicate that labour-based approaches are feasible and appropriate and can be cost effective. • MPW and DRBFC are very interested in the application of labour-based approaches and through R4D's capacity building capacities and implementation support, the Program will build the necessary capacities within DRBFC for the effective application of these labour-based approaches, where appropriate.
12	Insufficient interest and capacities are available amongst district authorities to support the planning and implementation of works	2	2	4	<ul style="list-style-type: none"> • R4D will work with and support DRBFC and the DAs in rural road planning, procurement and management, and will adopt a flexible approach, including the potential use of consultancy firms for design and works supervision. • R4D staff will work alongside DRBFC counterpart staff within the institutional set-up of DRBFC. This support can adapt easily to evolving institutional arrangements in DRBFC. • The R4D budget for TA and other capacity building resources is sufficient and has sufficient flexibility to adapt to changing responsibilities and requirements • R4D has incorporated sufficient flexibility in its design that will, if required, allow for a re-direction of its support to other Government entities.
13	Government agencies and donors involved in the rural roads sub-sector, are not willing to coordinate and improve effectiveness	2	2	4	<ul style="list-style-type: none"> • MPW, donors, and other projects operating in the rural roads sub-sector have expressed their interest and support in GoTL led-coordination of activities in this sub-sector and R4D will promote, support and capacitate GoTL-led coordination in the rural road sub-sector. This will be done through policy dialogue, informal and formal liaison and through the establishment of a MPW-led Program Steering Committee. • This PSC for R4D will be taking the lead in the coordination of all aspects pertaining to rural road investments and initiatives in Timor-Leste
14	Communities are not willing to participate in labour-based works	3	1	3	<ul style="list-style-type: none"> • R4D will strengthen and support participatory identification and planning processes, which will include the Aldeias, Sucos and District Administrations. This includes the placement of Community Development Officers at local level to support and strengthen the planning process. • DRBFC supported by R4D – will engage with the selected contractors and the involved communities to explain and ensure that the various social safeguards are understood and adhered to, including those related to seasonal variations in local labour availability to avoid undue competition for casual labour
OUTPUT 1: Capacity for planning, budgeting and delivery of investments in rural road works in MPW developed, and standards, specifications, and work methods applied by other involved stakeholders					
15	Effective and harmonized / standardized procurement systems are not place for the delivery of investments in rural road works	3	1	3	<ul style="list-style-type: none"> • Intensive dialogue and advocacy at the early stages to promote and support the development and use of appropriate procurement systems for R4D in particular and for MPW and other involved stakeholders in general. R4D will provide substantial support to MPW/DRBFC and MSATM in reviewing, improving, developing and operationalizing procurement systems and procedures by providing technical advice, capacity building and implementation support.
16	Transparent processes for sound financial management not in place	3	1	3	<ul style="list-style-type: none"> • Established financial management and procurement processes will be reviewed and safeguards proposed where necessary. • Improved budget planning and procurement systems will allow better control over GoTL allocation and spending.
17	Identification and selection of roads is not done in a fair and transparent manner based on established selection criteria	2	1	2	<ul style="list-style-type: none"> • The identification and selection of road works will be aligned in accordance with the GoTL SDP 2011-2030, and including priorities of the Districts and DRBFC. • During the inception phase of R4D, indicative road prioritization and selection criteria will be finalized and agreed upon with key GoTL stakeholders. • Once a comprehensive Rural Roads Master Plan has been completed (and updated yearly), this will provide the overarching direction for investments in rural road works. • R4D will ensure transparency and openness in the prioritization and selection process and information will be available to the public.
OUTPUT 2: Capacities of local civil works contractors developed for the implementation of the R4D investments in rural road works, using labour based methods as appropriate					
18	Insufficient number of competent local construction companies are available for the implementation of R4D's rural road works	3	2	6	<ul style="list-style-type: none"> • A cadre of trained contractors graduated from TIM-Works and a number of new companies will be trained under the recently approved EC-funded ERA which will start by the end of 2011, i.e. ahead of the start of R4D. • R4D will establish and implement agreed pre-qualification procedures • R4D's operational assistance at district level with the procurement of rural road works will allow R4D to influence the contractor selection as per agreed procedures • As required, R4D will provide training/orientation before and during the implementation works to contractors.
OUTPUT 3: R4D capital investments in construction, rehabilitation and maintenance of rural road works effectively delivered as per GoTL/AusAID/ILO agreement, using appropriate labour-based methods					

ANNEX 4: PROGRESS OF OUTPUTS ON 31.12.2012 AGAINST MILESTONE INDICATORS

Note: The 3-digit code of the Milestone Indicators correspond with the code of the Sub-Activities mentioned in the Annexes 7, 8 and 9	Target	Achieved
OUTPUT 1: Capacity for the planning, budgeting and delivery of investments in rural road works in MPW developed, and standards, specifications and work methods applied among other stakeholders involved in the rural roads sector		
PERFORMANCE INDICATOR 1.1: Functional MPW organizational structure for the planning and delivery of investments in rural road works, including KM functionalities, operational as per developed and approved MPW organizational structure		
1.1.5 Finalization by MPW of 1 st draft Organizational Structure	100%	Yes
PERFORMANCE INDICATOR 1.2: MPW staff assigned for planning, budgeting, contracting, implementation, progress reporting and monitoring investments in rural road works according to prepared and MPW approved HR capacity development plan		
1.2.3 Finalize modalities for R4D 2013 budget support in recruiting additional (temporary) MPW staff	100%	No
1.2.3 Finalize assignment of selected existing MPW supervisors to R4D for 2013	100%	Yes
PERFORMANCE INDICATOR 1.3: Skilled staff available for planning, budgeting, contracting and implementation as per approved HR capacity development plan		
1.3.3 Prepare Capacity Development strategy (incl. Model) and Plan	50%	Yes
1.3.4 Provide training to MPW (assistant-) supervisors and engineers as per work plan on road (maintenance) surveys and designs (incl. bio-engineering) and contracting & bidding (using FIDIC)	100%	Yes
1.3.5 Pending assignment by MPW of staff, start recruitment of 5 Community Development Officers and 10 Supervisors under ILO contracts to ensure sufficient R4D field capacity	50%	Yes
PERFORMANCE INDICATOR 1.4: Office facilities, equipment and transportation available that is required for the planning, budgeting, delivery and monitoring of investments in rural road work		
1.4.2 Procurement for Main and Regional R4D/MPW Offices of vehicles, motorbikes, office facilities, communication, computers, printers, furniture, etc. required for R4D's 2013 activities)	75%	Yes
PERFORMANCE INDICATOR 1.5: Systems developed and approved by MPW for the preparation of investment plans, budgets, work plans, designs, cost-estimates, tenders, contracts, progress reports, technical reports and monitoring reports		
1.5.4 Obtain approval from MPW to use FIDIC Short-Form of Contract for R4D/MPW rural road works	100%	Yes
1.5.4 Preparation of FIDIC bid and contract document templates for R4D, including environmental and social safeguards requirements	100%	Yes
1.5.4 Preparation and approval of R4D pre-qualification procedures and scoring templates	100%	Yes
1.5.4 Preparation of R4D bid evaluation procedures and templates	75%	Yes
PERFORMANCE INDICATORS 1.6: MPW knowledge of and support to R4D, and up-to-date and complete information/data readily available to MPW staff for planning, budgeting, designing, cost-estimation, tendering, contracting, reporting and monitoring/evaluation of investments in rural road works		
1.6.1 Regular update to MPW about progress R4D through meetings and reports	100%	Partly
PERFORMANCE INDICATOR 1.7: Target ministries, international agencies and projects involved in rural road development have recognized the role and importance of MPW/R4D in rural roads development, coordinate with MPW/R4D, and adopted MPW / R4D's standards, specifications and work methods		
1.7.1 Establish working relationship and coordinate with key stakeholders	100%	Partly
1.7.2 Establish R4D Program Steering Committee	100%	No
OUTPUT 2: Capacities of local civil works contractors developed for the implementation of the R4D investments in rural road works, using labour-based methods as appropriate		
PERFORMANCE INDICATOR 2.1: At least 2 tender-compliant bids received from local civil work contractors for xx % of the R4D tendered rural road works contract packages.		
2.1.1 Preparation of training materials for contractors pre-bid training	80%	Yes
OUTPUT 3: R4D capital investments in the construction, rehabilitation and maintenance of rural works effectively delivered, as per the GoTL/AusAID/ILO Agreement for R4D, using labour-based work methods where appropriate		
PERFORMANCE INDICATOR 3.1: Capital investments delivered for the construction of 40 km of new rural roads, the rehabilitation of 450 km of rural roads and the maintenance of 1.100 km or rural roads		
3.1.1 Prepare MPW 5-Year Action Plan and 2013 MPW Investment Plan for rural roads (including R4D)	100%	Yes
3.1.3 Survey, design and cost-estimate > 90 km of R4D 2013 rehabilitation works (incl. bio-engineering)	100%	Yes
3.1.4 Pre-qualify >100 local contractors for R4D 2013 rural road rehabilitation & maintenance works	100%	Yes
3.1.7 Consultations with MPW leading to MPW's approval of the R4D 2013 MPW budget	100%	Yes
PERFORMANCE INDICATOR 3.4: ≥ 20% of R4D investments in road works spent on wages – of which ≥ 30% for women workers		
3.4.1 Awareness raising and acceptance among MPW staff about the use of labour-based work methods	100%	On-going

ANNEX 5: CAPACITY DEVELOPMENT ASSESSMENT MATRIX

BASELINE ASSESSMENT OF MPW/DRBFC CAPACITIES RELATED TO THE DELIVERY OF CAPITAL INVESTMENTS IN RURAL ROADS THROUGH R4D				Level of Influence R4D		Baseline Capacity Score May 2012	Score Classification	Means of verification (Progress Reports, IMG, MTE and Final Reports are not included)	2012		
CAPACITY AND CAPACITY INDICATORS (Key Performance Indicators in Yellow)				ILO TA Direct Control	Limited Influence (Advocacy) and/or partial support only				Q 3,4	Q 3,4	Q 3,4
									Target Score	Actual Score	Actual minus Target Score
Planning and Financial Resource Mobilization						0.20			0.25	0.25	0.00
1	Preparation comprehensive RR annual budget plan (for \$ investm., \$ recurrent, \$ HR)	✓		0	C			DRBFC Planning/Finance Section, verification of plan	0.5	0.5	
2	Rural Roads Master Plan is available and updated yearly	✓		0	C			DRBFC Planning Section, verification RRMP	0	0	
3	Rural Roads Master Plan used effectively for resource mobilization		✓	0	A			MPW approved plan for RR based on RRMP	0	0	
4	GoTL approval of Fin. Resources MPW for capital investm. RR as per annual plan		✓	0	C			MPW approved budget and plan for RR investments	0	0	
5	GoTL approval of Fin. Resources MPW for recurrent expenditure for RR as per annual plan		✓	0	C			MPW approved budget and plan for recurrent expenditure	0	0	
6	GoTL approval of Fin. Resources MPW for HR for RR as per annual plan		✓	0	C			MPW approved budget and plan for HR (R4D target use)	0	0	
7	Number of staff available for planning and financial resource mobilization		✓	1	C			Report on staff gap assessment	1	1	
8	Skills of staff for planning and resource mobilization	✓		1	B			Report of staff skills assessment	1	1	
9	Effective Management Information Systems (MIS) in place (incl. GIS)	✓		0	C			Inspection, techn. documentation, available data in MIS	0	0	
10	MIS effectively used		✓	0	A			Well informed budgets and plans, based on MIS	0	0	
B	Identification, Prioritization and Selection of Investments in RR Works			0.08					1.08	0.99	-0.09
1	Effective Management Information Systems (MIS) in place (incl. GIS)	✓		0	C			Review techn. documentation, available data in MIS	0	0	
2	MIS/GIS effectively used		✓	0	A			Well informed annual plan/budget of selected road works	0	0	
3	Effective guidelines/criteria for prioritization and selection available	✓		0	C			Inspection of guidelines/criteria	2	2	
4	Guidelines/criteria for prioritization and selection effectively used		✓	0	A			Report prioritized roads against guidelines	0.5	0.5	
5	No. of staff available for updating RRMP, condition inventory surveys, processing data, etc.		✓	0	C			Report on staff gap assessment	0	0	
6	Skills of staff for condition inventory surveys, processing/analyzing data, preparing p	✓		1	B			Report on staff skills assessment	1.5	1.4	
7	Time-bound work plans and resources for identification, prioritization and selection of works		✓	0	C			Available plan and allocated staff and financial resources	2	1	
8	Comprehensive annual plan and tentative budgets of selected rural roads available		✓	0	C			Plan and Tentative Budget (km rehab/km maint)	1	1	
9	Environmental Safeguards Framework available	✓		0	C			Framework	3	3	
10	Environmental Safeguards Framework effectively used		✓	0	A			Environmental Screening reports available	0	0	
11	Social Safeguards Framework available	✓		0	C			SSF Framework	3	3	
12	Social Safeguards Framework effectively used		✓	0	A			Signed minutes of meetings with communities, field visit	0	0	

Definition of Scores	Classification	Scores				
		0	1	2	3	4
Effectiveness	A	very low	low	medium	good	excellent
Competency	B	very low	low	medium	good	excellent
Availability	C	0-20%	20-40%	40-60%	60-80%	80-100%

BASELINE ASSESSMENT OF MPW/DRBFC CAPACITIES RELATED TO THE DELIVERY OF CAPITAL INVESTMENTS IN RURAL ROADS THROUGH R4D				Level of Influence R4D		Baseline Capacity Score May 2012	Score Classification	Means of verification (Progress Reports, IMG, MTE and Final Reports are not included)	2012		
CAPACITY AND CAPACITY INDICATORS (Key Performance Indicators in Yellow)				ILO TA Direct Control	Limited Influence (Advocacy) and/or partial support only				Q 3,4	Q 3 ,4	Q 3,4
									Target Score	Actual Score	Actual minus Target Score
C	Surveying, Designing and Cost-Estimation of Selected Road Works					0.36			1.89	1.85	-0.04
1	Effective guidelines/specs/instructions/rates for surveys, designs, estimates are available			✓		1	C	Review guidelines, instructions, rates, specs	2	2	
2	Guidelines/specs/instructions/rates effectively used				✓	0	A	Field-observations, designs and estimates	1	1	
3	No. of staff available for surveys, designs, cost-estimates				✓	1	C	Report on staff gap assessment	1.5	1	
4	Skills of staff for surveys, designs, cost estimates			✓		0.5	B	Report on staff skills assessment	1	0.9	
5	Time-bound work plans and resources available for surveys, designs, cost-estimates				✓	0	C	Work plan and budget	1	1	
6	Survey data, detailed designs and cost-estimates available for all RR packages as per plan				✓	0	C	Inspect survey data, designs and cost-estimates (km reha	4	4	
7	Environmental Safeguards Framework available			✓		0	C	Framework + Environmental Management Plan	3	3	
8	Environmental Safeguards Framework incorporated in design and cost estimates				✓	0	C	Inclusion in design and cost estimates	2	2	
9	Social Safeguards Framework available			✓		0	C	Framework + Community Engagement Plan	3	3	
10	Social Safeguards Framework incorporated				✓	0	A	Inclusion in design and cost estimates	2	2	
12	Essential survey equipment available			✓		0.5	C	Inventory reports and inspection	1	1	
13	Essential survey equipment used				✓	0	A	Observations	1	1	
14	Information available (wages, prices, rates, productivities, specifications)			✓		1	C	Information available in information systems, databases	3	3	
15	Information used				✓	1	A	Information used in surveys, designs and cost -estimates	1	1	
D	Procurement of Works and Contract Management					0.31			1.21	1.29	0.08
1	Effective Contract Management Information Systems (CMIS) at central and local level				✓	2	C	CMIS	2	2	
2	Contract Management Information System effectively used				✓	0	A	Contract management progress reports	0	0	
3	Effective pre-qualification and tendering documents			✓		0	C	Documents	3	3.5	
4	Pre-qualification and tendering documents used				✓	0	A	Bidder's prequalification and bid documentation	2	2	
5	Effective pre-qualification and tendering procedures available			✓		0	C	Pre-qualification and bid documentation + procedures	3	3.5	
6	Pre-qualification and tendering procedures effectively used				✓	0	A	Contracts completed in time, budget and standards	1	1	
7	No. of staff available for procurement and contract management				✓	1	C	Report on staff gap assessment	1	1	
8	Skills of staff for procurement and contract management			✓		1	B	Report on staff skills assessment	1.5	1.5	
9	Annual procurement plan available				✓	0	C	Review plans	1	1	
10	Monthly up-to-date contract progress reports disseminated to MPW management				✓	0	C	Progress reports received by management	0	0	
11	Contractor's payments made in time, as per contracts				✓	0	A	Information from CMIS, MPW financial reports, MoF	0	0	
12	Contracts awarded as per Procurement Plan				✓	0	C	CMIS	0	0	

Definition of Scores	Classification	Scores				
		0	1	2	3	4
Effectiveness	A	very low	low	medium	good	excellent
Competency	B	very low	low	medium	good	excellent
Availability	C	0-20%	20-40%	40-60%	60-80%	80-100%

BASELINE ASSESSMENT OF MPW/DRBFC CAPACITIES RELATED TO THE DELIVERY OF CAPITAL INVESTMENTS IN RURAL ROADS THROUGH R4D				Level of Influence R4D		Baseline Capacity Score May 2012	Score Classification	Means of verification (Progress Reports, IMG, MTE and Final Reports are not included)	2012		
CAPACITY AND CAPACITY INDICATORS (Key Performance Indicators in Yellow)				ILO TA Direct Control	Limited Influence (Advocacy) and/or partial support only				Q 3,4	Q 3,4	Q 3,4
									Target Score	Actual Score	Actual minus Target Score
E	Works Implementation					0.27			0.35	0.35	0.01
1	Procedures and MIS available for monitoring and reporting on progress	✓		0	C			Procedures and MIS + CMS	0	0	
2	Procedures and system and workplans for monitoring and reporting on progress effectively used		✓	0	A			Monitoring/progress reports	0	0	
3	Manuals & procedures for superv., quality control (QC) and quality assurance (QA) a	✓		0	C			Manuals and procedures	1	1	
4	Manuals & procedures for superv., quality control (QC) and quality assurance (QA) used		✓	0	A			QA/QC reports	0	0	
5	Environmental Management Plan (EMP) effectively implemented		✓	0	A			EMP progress reports	0	0	
6	Community Engagement Plan (CEP) effectively implemented		✓	0	A			CEP progress reports	0	0	
7	Financial resources for recurrent costs for supervision, QA and QC available		✓	1	C			Budgets	1	1	
8	No. of staff available for supervision, QA and QC		✓	1	C			Report on staff gap assessment	1	1	
9	Skills of staff for supervision, QA and QC	✓		0.5	B			Report on staff skills assessment	0.5	0.6	
10	Basic equipment available (for example for measurement, quality control)		✓	1	C			Inventory equipment	1	1	
11	Basic equipment used		✓	0	A			Field observations, photos	0	0	
13	Works implemented as per plan (in time, within budget, as per standards and as per work method (✓	0	C			% delivery of works as per MPW R4D budget	0	0	
F	Institutional Structure MPW			0.37					1.39	1.13	-0.26
1	Organic law for MPW approved		✓	0	C			Organic Law	4	4	
2	Organigram including RRD functionalities prepared	✓		0	C			Organigram	4	4	
3	Organigram including RRD functionalities approved		✓	0	C				4	0	
4	Rural Roads Department functional as per agreed staggered institutional development MPW plan &		✓	0	A			MPW/R4D budget executed (plan vs actual)	0	0	
5	Institutional + HR development plan prepared	✓		0	C				1.5	1	
6	Institutional + HR development plan approved by MPW		✓	0	C				0	0	
7	Functional job descriptions developed	✓		1	C			Examples on file	1	1	
8	Functional job descriptions approved		✓	0	C			Examples on file	0	0	
9	Job Descriptions used to evaluate performance		✓	0	B				0	0	
10	No. of support staff available to support all technical functions		✓	1	C			Report on staff gap assessment	1	1	
11	Skills of support staff sufficient to support all technical functions		✓	1	B			Report on staff skills assessment	1	1	
12	Adequate office space available to support all technical functions		✓	1	C			Office space + maintenance and operating budget	2.5	2.5	
13	Adequate transportation available to support all technical functions		✓	1	C			Sufficient cars & motorbikes + operating and maintenance	4	4	
14	ICT support all technical functions		✓	1	C				2	2	
15	Effective workflow processes and supporting procedures and tools developed	✓		1	C				1.5	1	
16	Effective workflow processes and supporting procedures and tools approved		✓	0	C				0	0	
17	Effective workflow processes and supporting procedures and tools implemented		✓	0	A				0	0	
18	Indicators of Performance culture recognised and applied at senior and mid-management level and		✓	0	A			Interviews with senior staff, assessment in MPW/DRBFC	0	0	
G	M&E and Advocacy			0					0.14	0.14	0.00
1	Internal and external communication strategy designed	✓		0	C			Communication Strategy	0	0	
2	Internal and external communication strategy resourced		✓	0	C			Budget Communication Strategy	0	0	
3	Internal and external communication strategy implemented		✓	0	A			Internal communication and external visibility of PW/E	0	0	
4	M&E Framework designed	✓		0	C			M&E strategy	1	1	
5	M&E plan resourced		✓	0	C			Available budget for implementation of the M&E Strat	0	0	
6	M&E plan implemented		✓	0	A			M&E reports, PW external evaluations, M&E used in d	0	0	
7	M&E Unit functionalities established as per agreed organisational structure		✓	0	C			Approved MPW organogram	0	0	
	Average Score			0.23					0.90	0.86	-0.04

ANNEX 6: STATUS OF PROVIDED TRAINING TILL 31 DECEMBER 2012

June - December 2012		Dili		Baucau		Maliana		Same		Oecussi		All Regions		
	Subject	Class Room	On the Job (Field)	Class Room	On the Job (Field)	Class Room	On the Job (Field)	Class Room	On the Job (Field)	Class Room	On the Job (Field)	Class Room	On the Job (Field)	Total
1	Computer skills											0	0	0
2	English skills											0	0	0
3	Mathematics skills											0	0	0
4	Road Survey skills	2	6	3	9	2.5	15	1	4	1	5	9.5	39	48.5
5	Road Design skills	4	9						2	31.5	15.5	35.5	26.5	62
6	Road Construction and Supervision skills											0	0	0
7	Quality Control skills											0	0	0
8	Road Maintenance skills	2				1	6					3	6	9
9	Labour based methods											0	0	0
10	Planning and Feasibility Study	2	2		33	3	18	2	4			7	57	64
11	Contracting & Tendering	1	2	6	7	2	10					9	19	28
	Total	11	19	9	49	8.5	49	3	10	32.5	20.5	64	148	211.5
	Total Trainees (incl. 2 women)	4		4		7		2		5		22		
	Average Training Days per Trainee	7.5		14.5		8.2		6.5		10.6		9.6		

ANNEX 7: SUMMARY OF PROGRESS AGAINST OUTPUT 1

Output 1: Capacity for the planning, budgeting and delivery of investments in rural road works in MPW developed, and standards, specifications and work methods applied among other stakeholders involved in the rural roads sect				
Performance Indicator 1.1: MPW organizational structure for the planning and delivery of investments in rural road works in place, including KM functionalities, as per developed and approved MPW organizational structure				
Main Activities	Progress of Sub-Activities (indicator milestones for reporting period marked in grey)	31-12- 2012 Target	Actual Achievement against Target / Work Plan	Reasons for Non- Achievement / Observations
1.1.6 Assessment of Current Gaps in Organizational Structure and Work Flow Processes	<ul style="list-style-type: none"> Collect information about current Organizational Structure Assess organizational structure gaps Analyse current work flow processes Review of organization / systems of past rural road maintenance works 	100% 100% 20% 50%	Yes 90% 10% 10%	<ul style="list-style-type: none"> Report pending MPW time constraints MPW time constraints
1.1.7 TA Support in Developing Proposal for Effective Organizational Structure and Work Flow Processes	<ul style="list-style-type: none"> Prepare proposal/organigram for new MPW organization structure, incl. Rural Roads Department (RRD) Prepare proposal workflow processes 	100%	Yes	<ul style="list-style-type: none"> MPW decided not to implement the proposed structure
1.1.8 TA Support in Implementing Organizational Structure and Work Flow Processes	<ul style="list-style-type: none"> No activities scheduled 			
1.1.9 TA Support to Set-up and Implement Internal MPW Coordination Mechanism	<ul style="list-style-type: none"> Establish R4D Technical Working Group in October and convey regular meetings 	100%	75%	<ul style="list-style-type: none"> MPW time constraints
1.1.10 Advocacy Activities	<ul style="list-style-type: none"> Monthly meetings with MPW staff and decision-makers about organizational structure and work flow processes Finalization by MPW of 1st draft Organizational Structure 	100% 100%	40% Yes	<ul style="list-style-type: none"> MPW time constraints
Performance Indicator 1.2: MPW staff assigned for the planning, budgeting, contracting, implementation, progress reporting and (impact) monitoring of investments in rural road works in accordance with the prepared and MPW approved HR capacity development plan				
2.2.1 Identification/Assessment of MPW Staff Requirements	<ul style="list-style-type: none"> Inventory of current staff Identify MPW/R4D staff requirements and staff budget for 2013 	100% 100%	Yes 90%	<ul style="list-style-type: none"> MPW time constraints
2.2.2 TA in Preparation of MPW HR Recruitment Plan	<ul style="list-style-type: none"> Collect and review MPW job descriptions for various positions Prepare proposal for MPW required staff support at regional / district level for implementation R4D 2013 rehab and maintenance activities 	100% 100%	20% Yes	<ul style="list-style-type: none"> MPW time constraints
2.2.3 Recruitment of MPW Staff for R4D	<ul style="list-style-type: none"> Finalize modalities for R4D/AusAID bridging budget support to recruit additional (temporary) MPW key staff for R4D, pending MPW-financed recruitment Finalize assignment of selected existing MPW supervisors to R4D for 2013 	100% 100%	0% Yes	<ul style="list-style-type: none"> Insufficient priority MPW Verbally agreed with DRBFC
2.2.4 Advocacy Activities	<ul style="list-style-type: none"> Meetings with MPW decision-makers in support of reaching agreement of milestone activities listed at 1.2.3 	100%	50%	<ul style="list-style-type: none"> See under 1.2.3
Performance Indicator 1.3: Skilled staff available for planning, budgeting, contracting and implementation as per approved HR capacity development plan				
2.3.1 Assessment of current Skills/Capacities in MPW	<ul style="list-style-type: none"> Prepare skill assessment templates for MPW (assistant-) supervisors and database engineers Conduct skills assessment of MPW (assistant-) supervisors and database engineers and prepare report 	100% 100%	Yes 70%	<ul style="list-style-type: none"> MPW staff availability constraints
2.3.2 Identification of Skills Requirements of Staff	<ul style="list-style-type: none"> Finalize assessment of skill requirements (assistant-) supervisors 	100%	70%	<ul style="list-style-type: none"> MPW staff availability

	and database engineers.			constraints
2.3.3 Develop Staff Capacity Development Strategy/Plan	<ul style="list-style-type: none"> Prepare 1st draft overall capacity assessment framework, including scores of baseline capacities and annual target scores for capacities Prepare Capacity Development strategy (incl. Model) and Plan 	100% 50%	Yes Yes	
2.3.4 Implement Staff Capacity Development Activities	<ul style="list-style-type: none"> Provide training (on-the-job and classroom training) to MPW (assistant-) supervisors and engineers as per work plan on road (maintenance) surveys and designs (incl. bio-engineering) and contracting & bidding (using FIDIC) Prepare/organize and conduct workshop on bio-engineering design for MPW & other stakeholders Prepare/organize and conduct workshop on Environmental Safeguards Framework for MPW & other stakeholders 	100% 100% 100%	Yes Yes Yes	<ul style="list-style-type: none"> See Annex 6 for details
2.3.5 Short-term TA Support in Bridging MPW Staffing Gaps	<ul style="list-style-type: none"> Pending assignment by MPW of staff, start recruitment of 5 Community Development Officers and 10 Supervisors under ILO contracts to ensure sufficient R4D field capacity 	50%	Yes	
2.3.6 Advocacy Activities	<ul style="list-style-type: none"> Meetings with MPW decision-makers to advocate for active involvement of MPW in assessments, approval and development of plans. 	On-going	Partly	<ul style="list-style-type: none"> MPW time constraints
Performance Indicator 1.4: Office facilities, equipment and transportation available that is required for the planning, budgeting, delivery and monitoring of investments in rural road work				
2.4.1 Assessment of Requirements	<ul style="list-style-type: none"> Inventory/assessment of available facilities, equipment, transportation Assessment of requirements for R4D at national and regional level 	100% 100%	Yes Yes	
2.4.2 Procurement	<ul style="list-style-type: none"> Prepare specs for procurement of office facilities, ITC hard-and software, vehicles, motorbikes, generators, etc. Procurement for Main and Regional Offices of vehicles, motorbikes, office facilities, communication, computers, printers, furniture, etc. required for implementation of R4D's 2013 activities) Order ITC equipment for MIS/GIS 	100% 75% 100%	Yes Yes Yes	
2.4.3 Operations & Maintenance Support	<ul style="list-style-type: none"> Provide required operational & maintenance support 	On-going	Yes	
Performance Indicator 1.5: Systems developed and approved by MPW for the preparation of investment plans, budgets, work plans, designs, cost-estimates, tenders, contracts, progress reports, technical reports and monitoring reports				
2.5.1 Preparation of Rural Roads Master Plan (RRMP)	<ul style="list-style-type: none"> Collection of data of EC-funded 2010 Partial RRMP Preparation of TOR for outsourcing the development of the RRMP Preparation of draft rural road prioritization criteria 	100% 50% 50%	Yes 5% Yes	<ul style="list-style-type: none"> Delayed due to resignation ILO Proc. & Contract Mngmt Specialist
2.5.2 Implementation and Yearly Updating of RRMP	<ul style="list-style-type: none"> No activities scheduled 			
2.5.3 Preparation and application of systems (including standards, formats, guidelines, templates, technical manuals and	<ul style="list-style-type: none"> Prepare and translate in Tetun basic specifications for contractors for inclusion in bid documents Prepare templates for Rate Analysis for Items of Work for labour-based 	80% 90%	Yes Yes	

specifications) related to R4D rural roads engineering	<ul style="list-style-type: none"> rural road works (including bio-engineering) • Prepare template for BoQ for labour-based rural road works • Collect information from various sources for the preparation of a MPW/R4D Rural Roads Technical Manual • Preparation of MPW/R4D Rural Roads Technical Manual • Preparation of standard drawings for labour-based rural road rehab works • Preparation of templates for invitations, notices, announcements, etc. related to pre-qualification and tendering • Prepare draft survey template for conducting rural road condition inventories • Prepare guidelines for selecting road pavement option, using life-cycle costing 	100%	Yes	• ILO TA time constraints
		100%	Yes	
		10%	0%	
		100%	Yes	
		100%	Yes	
		100%	Yes	
		25%	Yes	
2.5.4 Development and application of procurement systems for rural road works	<ul style="list-style-type: none"> • Inventory and assessment of existing procurement systems for rural roads • Obtain approval from MPW to use FIDIC Short-Form of Contract for R4D/MPW rural road works • Preparation of FIDIC bid and contract document templates for R4D, including environmental and social safeguards requirement • Preparation and approval of R4D pre-qualification procedures and scoring templates • Preparation of R4D bid evaluation procedures and templates 	100%	Yes	
		100%	Yes	
		100%	Yes	
		100%	Yes	
		75%	Yes	
2.5.5 Development and application of GIS/MIS systems for planning and monitoring investments in rural road works	<ul style="list-style-type: none"> • Complete audit plan for MPW ICT and data processes • Analyse MPW MIS/GIS system • Preparation of maps with info on location of rural services/facilities and location of planned, on-going and recently completed rural road works by R4D, ERA, RDP3, SEFOPE • Collection of data from different sources related to mapping • Develop draft GIS file storage structure for R4D data 	100%	Yes	<ul style="list-style-type: none"> • MPW time constraints • Awaiting data/info from SEFOPE • Production delayed because delayed availability plotter • Delayed - data access problems
		20%	5%	
		40%	10%	
		On-going	Partly	
		100%	Yes	
2.5.6 Development and application of systems to monitor the impact of improved rural road access	<ul style="list-style-type: none"> • Collection of relevant secondary data • Preparation of TOR & questionnaire for Community Snapshots 	On-going 25%	Yes Yes	
2.5.7 Development and application of Environmental Safeguards Framework (ESF)	<ul style="list-style-type: none"> • Prepare ESF, Environmental Management & Monitoring Plan and Operational Guidelines 	75%	Yes	
2.5.8 Development and application of Social Safeguards Framework (SSF)	<ul style="list-style-type: none"> • Collect and archive relevant documentation and tools • Complete 60% of first draft of SSF • Finalize template of MOU between Communities and Contractors • Finalize 1st draft Community Engagement Strategy 	80%	Yes	
		100%	Yes	
		50%	50%	
		100%	Yes	
2.5.9 Preparation and application of the R4D Results Framework and M&E	<ul style="list-style-type: none"> • Preparation of draft R4D Results Framework and M&E Framework • Prepare 1st draft M&E overall 	50%	Yes	
		100%	Yes	

Framework	capacity assessment framework, including scores of baseline capacities and annual target scores for capacities			
2.5.10 Preparation of Annual Work Plans	<ul style="list-style-type: none"> Develop template and prepare 1st draft of R4D 2013 annual work plans Preparation of work plan and budget for R4D pre-qualification, tendering and contractor training for R4D 2013 rural road rehabilitation works 	100% 100%	Yes Yes	
2.5.11 Develop and implement R4D internal Quality Assurance (QA) and Quality Control (QC) Strategy and Plan	<ul style="list-style-type: none"> Develop R4D house-style Develop R4D internal QA & QC Strategy and Plan 	50% 10%	Yes Yes	
2.5.12 Advocacy Activities	<ul style="list-style-type: none"> Advocate for application of developed systems through meetings, workshops and day-to-day collaboration 	On-going	Partly	<ul style="list-style-type: none"> MPW time constraints
Performance Indicators 1.6: MPW knowledge of and support to R4D, and up-to-date and complete information/data readily available to MPW staff for planning, budgeting, designing, cost-estimation, tendering, contracting, reporting and monitoring/evaluation of investments in rural road works				
2.6.1 R4D information sharing and advocacy activities	<ul style="list-style-type: none"> R4D Programming and Planning Workshop Regular update to MPW about progress R4D through meetings and reports Preparation and distribution of R4D PR materials (calendars, year planners, agendas, notebooks) Inauguration of R4D Main Office in Dili 	100% On-going 100% 100%	Yes Partly Yes Yes	<ul style="list-style-type: none"> MPW staff time constraints
2.6.2 Develop and implement MPW Knowledge Management (KM) and Communication Plan	<ul style="list-style-type: none"> Assessment of MPW Knowledge Management (KM) gaps Development of KM strategy and plan for MPW 	50% 25%	Yes Yes	
Performance Indicator 1.7: Target ministries, international agencies and projects involved in rural road development have recognized the role and importance of MPW/R4D in rural roads development, coordinate with MPW/R4D, and adopted MPW / R4D's standards, specifications and work methods				
2.7.1 Information sharing and dissemination, and coordination with various stakeholders	<ul style="list-style-type: none"> Establish working relationship and coordinate with key stakeholders (including SEFOPE, MSATM, ADB, WB, JICA, ADN, ERA, CARE, Directorate of Environment, BOSS, YEPP, BESIK, CARE, RDP3, UNDP, UN Women, SEPI, Secretary of State for Gender Equality, "Our Roads, Our Future", District authorities, etc.) Agreement with SEFOPE and ERA of using US\$ 4.50 / day as minimum wage in rural road works Provide AusAID with monthly progress reports Publicity in newspapers and TV about inauguration R4D Main Office 	On-going 100% 100% 100%	Partly Yes Yes Yes	<ul style="list-style-type: none"> Not established yet with MSATM at central level and ADN because time constraints MPW Verbal agreement
2.7.2 Establish R4D Program Steering Committee and convey first PSC meeting	<ul style="list-style-type: none"> Prepare draft TOR for PSC Facilitate and support high-level initial meetings between MPW and proposed PSC members to discuss R4D and the proposed PSC Establish R4D PSC Facilitate, organize and assist in conducting the 1st PSC meeting 	100% 100% 100% 100%	80% 0% 0% 0%	<ul style="list-style-type: none"> MPW time constraints MPW time constraints

ANNEX 8: SUMMARY OF PROGRESS AGAINST OUTPUT 2

Output 2: Capacities of local civil works contractors developed for the implementation of the R4D investments in rural road works, using labour-based methods as appropriate				
Performance Indicator 2.1: At least 2 tender-compliant bids received from local civil work contractors for xx % of the R4D tendered rural road works contract packages.				
Main Activities	Progress of Sub-Activities (indicator milestones for reporting period marked in grey)	31-12- 2012 Target	Actual Achievement against Target / Work Plan	Reasons for Non- Achievement / Observations
3.4.6 Training contractors on bid preparation	<ul style="list-style-type: none"> Preparation of training materials for contractors pre-bid training 	80%	Yes	
Performance Indicator 2.2: % of the value of the contracted R4D rural road packages completed by local small contractors as per design, standards and specifications, and in time				
3.6.1 Training contractors in contract management and contract supervision during construction works	<ul style="list-style-type: none"> Plan contractors' technical training and confirm schedule (March-April 2013) with the ERA-assisted Don Bosco School (training provider) for 3 groups of 15 contractors each (for 2013 batch of R4D road rehabilitation works) 	100%	Yes	
Performance Indicator 2.3: % of local civil works contractors awarded more than 1 rural road works contract: Annual targets:				
3.6.2 Adjust pre-qualification and bid award procedures	<ul style="list-style-type: none"> No activities this period 			
Performance Indicator 2.4: Contractors show an increase in their yearly business turn-over after the successful completion of their R4D training and/or contracts				
3.7.1 Track performance of contractors on annual basis after completion R4D contracts	<ul style="list-style-type: none"> No activities this period 			

ANNEX 9: SUMMARY OF PROGRESS AGAINST OUTPUT 3

Output 3: R4D capital investments in the construction, rehabilitation and maintenance of rural works effectively delivered, as per the GoTL/AusAID/ILO Agreement for R4D, using labour-based work methods where appropriate				
Performance Indicator 3.1: Capital investments delivered for the construction of 40 km of new rural roads, the rehabilitation of 450 km of rural roads, periodic maintenance of 700 km of rural roads and the routine maintenance of 1.100 km of rural roads¹.				
Main Activities	Progress of Sub-Activities (indicator milestones for reporting period marked in grey)	31-12-2012 Target	Actual Achievement against Target / Work Plan	Reasons for Non-Achievement / Observations
4.1.1 Prepare MPW/R4D (Investment) Plan and Annual Investment Plans for Rural Roads Investments	<ul style="list-style-type: none"> Prepare MPW 5-Year Action Plan and 2013 MPW Investment Plan for rural roads (including R4D) Prepare 5-Year district-wise rural roads investment plan for R4D/MPW 	100%	Yes	
4.1.2 Identification, prioritization selection and approval of rural road projects for construction, rehabilitation, maintenance works	<ul style="list-style-type: none"> In consultation with MPW and District Authorities, identify, prioritize and select about 90 km of rural roads in 5 Regions (7 Districts) for 2013 rehabilitation works In consultation with MPW and District Authorities, identify, prioritize and select about 300 km of rural roads in 5 Regions for combined 2013 R4D routine and periodic maintenance Official MPW approval for selected R4D 2013 rehabilitation works 	100%	Yes	<ul style="list-style-type: none"> 105 km selected
4.1.3 Surveying, designing and cost-estimations of rural road projects	<ul style="list-style-type: none"> Survey, design and cost-estimate 105 km of R4D 2013 rural road rehabilitation works (including bio-engineering) Survey of 300 km of rural roads for R4D 2013 combined periodic + routine maintenance works Finalize arrangements and pro-forma costs for R4D workers for accident and 3rd party liability insurance 	90%	Yes	
4.1.4 Pre-qualification & tender for approved road projects	<ul style="list-style-type: none"> Pre-qualification of > 100 local contractors for R4D 2013 rural road rehabilitation & maintenance works Complete contract packaging for using the FIDIC SFC bid documents 	100%	Yes	<ul style="list-style-type: none"> 135 local contractors pre-qualified
4.1.5 Recommend, approve and award contracts for rural road works	<ul style="list-style-type: none"> No activities scheduled 			
4.1.6 Implementation of construction, rehabilitation and maintenance of rural road works	<ul style="list-style-type: none"> No activities scheduled 			
4.1.7 Advocacy activities to secure GoTL annual funding for R4D capital investments	<ul style="list-style-type: none"> Consultations with MPW leading to MPW's approval of the R4D 2013 MPW budget 	100%	Yes	
Performance Indicator 3.2: X % of the value of the contracted R4D rural road packages completed by local small contractors as per design, standards and specifications, and in time (X: 2013: 60%; 2014: 70%; 2015: 80%)				
6.2.1 Daily supervision of the performance of contractors in the field	<ul style="list-style-type: none"> No activities scheduled 			

¹ Whereas the R4D Project Document assumes that average costs for rural road rehabilitation are US\$ 50,000/km, actual average costs for the 1st batch of 46 contract packages show that costs are almost US\$ 100,000/km. This cost-increase is due to an increase in labour wages, inclusion of bio-engineering works, provisions for costs of social safeguards in the designs, provision of more drainage structures than originally envisaged, increase of the costs in local construction materials and the use of more expensive pavement types (more concrete and penetration macadam pavement and less gravel pavement). Due to this cost increase it will only be possible to retain the original physical targets if GoTL allocates more funds to R4D than originally planned. The use of AusAID's contingency funds for R4D can also be considered.

6.2.2	Preparation by site-engineers and supervisors of monthly supervision reports about the performance of the contractors	• No activities scheduled			
6.2.3	Monthly reporting on the financial and physical progress of contractors using the contract management information system	• No activities scheduled			
6.2.4	Monthly reporting on the progress and performance of the contractors against the contract	• No activities scheduled			
6.2.5	Based on findings from daily supervision and the monthly reports, take corrective action, as required	• No activities scheduled			
Performance Indicator 3.3: Less than 10% repair costs (as % of the initial investment costs in rehabilitation or construction) beyond scheduled investments in routine and periodic maintenance.					
3.3.1	Prepare quarterly site inspection reports of completed works, including cost-estimates of damage	• No activities scheduled			
3.3.2	Prepare 6-monthly reports with information about unforeseen repair costs for each completed road	• No activities scheduled			
3.3.3	Prepare designs and cost-estimates to repair unforeseen costs and undertake repairs through small contractors	• No activities scheduled			
Performance Indicator 3.4: About 20% of the total R4D investments in rural road works spent on wages - of which at least 30% for women workers					
4.4.1	Promote the application of labour-based work methods and incorporate these methods in the design and implementation of the rural road works	<ul style="list-style-type: none"> • Awareness raising and acceptance among MPW staff about the use of labour-based work methods (through workshops, on-the-job training, field visits and meetings) • Design the 2013 R4D road rehab works using labour-based methods • Incorporate labour input requirements in the cost-estimates (including rate analysis and BoQs) • Incorporate the requirement of applying labour-based methods and the involvement of local community labourers - where appropriate - in the bid documents • Explain the use of labour-based work methods in rural road works to concerned communities 	100%	Yes	<ul style="list-style-type: none"> • On-going activity
4.4.2	Assess the (seasonal) availability of local labour to enable programming of construction works of individual road project works in relation to (season) labour availability	<ul style="list-style-type: none"> • Initial assessment through consultations with local communities during reconnaissance surveys and feasibility studies • Incorporate in the template of the MOU between Community and Contractor questions about (seasonal) labour availability 	100%	Yes	
4.4.3	Incorporate and implement in the R4D Community Engagement Strategy approaches related to the involvement of community workers in the construction	<ul style="list-style-type: none"> • Prepare 1st draft guidelines for promoting engagement of communities in works, in including the participation of women • Prepare 1st draft guidelines for the selection and rotation of community 	100%	Yes	

works, including the participation of at least 30% women	<p>workers in the workforce, including women</p> <ul style="list-style-type: none"> • Incorporate in the FIDIC bid documents sections that relate to the involvement of community workers, including 30% women participation • Include information in the training modules for the planned contractors' pre-bid training (January 2013) information about the involvement of the local communities in the workforce, including at least 30% women participation 	Yes	Yes	
4.4.4 Monitor sex-disaggregated information about the numbers of worker-days of work generated and payments made to workers	<ul style="list-style-type: none"> • Incorporate in the conceptual design of the Contract Management Database sex-disaggregated information about payments to workers • Incorporate in the M&E framework procedures and formats to monitor the number of women and men involved in construction activities and on wages paid 	50%	Yes	
4.4.5 Based on the generated information about the involvement of community workers in the construction works, analyse the effectiveness and feasibility of performance indicator 3.4 and adjust the strategy, approach and activities, as required	<ul style="list-style-type: none"> • No activities scheduled 			

ANNEX 10: SUMMARY CONTRACT PACKAGES R4D 2013 REHABILITATION WORKS

CONTRACT PACKAGES R4D BATCH 1: 2013 RURAL ROAD REHABILITATION WORKS											
Region km US\$ US\$/km	District	Road No	Sub- District	Name	Package	Length (km)	Estimated cost	Worker days			Cost/km
								Total No.	Of which unskilled No.	%	
Dili	Aileu	1		Laulara-Ornai	1	2.0	285,279	4,186	3,422	82%	142,639
19.9	km				2	3.5	222,394	15,299	13,722	90%	63,541
2,255,017	US					5.5	507,673				92,304
113,118	US/km	2		Solarema-Tohumeta	1	1.0	197,787	6,395	5,560	87%	197,787
					2	1.0	245,181	8,939	7,536	84%	245,181
					3	1.0	279,375	7,222	5,769	80%	279,375
					4	2.0	215,983	7,299	6,018	82%	107,991
					5	2.0	276,303	9,744	7,272	75%	138,151
					6	2.5	190,955	3,157	2,240	71%	76,382
					7	2.5	131,686	2,870	2,087	73%	52,675
					8	2.4	210,074	7,771	6,154	79%	86,273
						14.4	1,747,344				121,049
Baucau	Baucau	1		Boile-Uatabo	1	2.5	201,257	9,615	8,586	89%	80,503
20.2	km				2	2.7	217,298	9,141	7,976	87%	80,481
1,682,748	US					5.2	418,555				80,491
83,304	US/km	2		Baguia-Larisula	1	1.6	205,787	6,762	5,633	83%	128,617
					2	2.4	221,747	9,089	7,790	86%	92,395
					3	4.0	247,648	13,656	12,426	91%	61,912
						8.0	675,182				84,398
	Lautem	1		Luro-Barikafar	1	2.5	159,623	8,288	7,404	89%	63,849
					2	2.3	226,670	7,484	6,326	85%	100,742
					3	2.3	202,718	7,329	6,024	82%	90,097
						7.0	589,011				84,144
Same	Manufahi	1		Same-Rotuto	1	1.5	158,720	5,107	4,272	84%	105,813
11.5	km				2	1.6	148,554	5,119	4,324	84%	92,846
1,425,006	US					3.1	307,274				99,121
123,914	US/km	2		Lianai-Grotu	1	2.5	234,641	8,167	7,147	88%	93,856
					2	1.7	240,041	6,205	5,265	85%	141,201
					3	2.1	250,255	8,822	7,697	87%	119,169
					4	1.1	189,734	6,054	5,226	86%	172,485
					5	1.0	203,061	7,163	6,213	87%	203,061
						8.4	1,117,732				133,063
Maliana	Bobonaro	1		Balibo-Cova	1	3.4	266,294	12,046	10,695	89%	78,322
27.0	km				2	2.8	270,618	10,634	8,965	84%	96,649
2,941,937	US				3	1.9	279,383	9,950	8,384	84%	147,044
108,961	US/km				4	1.9	262,405	11,688	10,135	87%	138,108
						10.0	1,078,700				107,870
		2		Maliana-Saburai	1	2.6	242,484	11,131	9,745	88%	93,263
					2	2.3	254,935	8,066	6,789	84%	110,841
					3	1.8	263,081	6,359	5,266	83%	146,156
					4	2.6	262,287	10,580	9,104	86%	100,880
					5	1.7	267,591	6,851	5,643	82%	157,406
						11.0	1,290,378				117,307
	Covalima	1		Lookei	1	3.0	227,815	11,824	10,199	86%	75,938
		2		Lepo-Luor	1	1.5	171,058	9,028	7,830	87%	114,039
					2	1.5	173,986	7,426	6,450	87%	115,991
						3.0	345,044				115,015
Oecusse	Oecusse	1		Baqui-Oelulan	1	4.6	140,804	3,613	2,744	76%	30,610
24.5	km				2	2.9	200,448	6,037	4,853	80%	69,120
1,990,522	US					7.5	341,252				45,500
81,213	US/km	2		Oelulan-Leolbatan	1	2.7	249,548	8,007	6,980	87%	94,169
					2	2.2	247,580	8,230	7,234	88%	112,536
					3	3.2	249,895	10,032	8,969	89%	78,092
						8.1	747,023				92,798
		3		Mahata-Kusi	1	2.0	218,134	5,972	5,121	86%	109,067
					2	2.6	224,498	7,617	6,750	89%	86,345
					3	2.5	238,768	8,316	7,328	88%	95,507
					4	1.9	220,847	7,054	6,060	86%	118,735
TOTAL						9.0	902,247				100,697
103.1				Totals/averages	46	103.1	10,295,230	371,344	317,333	85%	99,813