



Organisasi Perburuhan Internasional
Jakarta

International Labour Organization
Jakarta

Ref. No.: R4D/0726
/lo

31 August 2012

Mr. Decio Ribeiro Sarmento
Senior Coordinator – Infrastructure
AusAID
Australia Embassy
Rua Martires da Patria
Fatuhada, Dili
Timor Leste


Dear Mr. Sarmento,

PR-01 Consolidated Narrative Progress Report #1: 1 March – 30 June 2012
The Roads for Development (R4D) Project in Timor-Leste (TIM/12/01/AUS)

With Reference to the Contribution Arrangement 61825 between The Australian Agency for International Development and International Labour Office, signed on 27 February 2012, concerning the Roads for Development (R4D) Project in Timor-Leste, we are pleased to submit herewith the Consolidated Narrative Progress Report for period 1 March 2012 – 30 June 2012.

I would like to take the opportunity to express the gratitude of ILO to AusAID for its contribution and continuous support to the ILO programme in Timor-Leste, particularly ILO-R4D Project.

Sincerely yours,


Peter van Rooij
Director

Encl: PR-01 Consolidated Narrative Progress Report #1: 1 March – 30 June 2012

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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:

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 March 2012 - 30 th June 2012
Report prepared by:	Bas Athmer, Chief Technical Advisor R4D
Report reviewed by:	<p>Chris Donnges, Head ILO Employment Intensive Investment Programme (EIIP) for Asia and Pacific</p> <p>I have reviewed the classifications and agree they are a fair and accurate reflection of progress</p> <p>Reviewer initials: <i>CD</i></p>
Report approved by:	<p>Peter van Rooij, Director ILO Jakarta</p> <p>I have reviewed the classifications and agree they are a fair and accurate reflection of progress</p> <p>Approver initials: <i>PR</i></p>

Instructions
<p>This is the standard ILO format for extra-budgetary technical cooperation progress reporting. Information submitted in TCPRs will be collected and used by the ILO to monitor progress towards results.</p> <p>TCPRs must be submitted as per the schedule outlined in the Approval Minute.</p> <p>Please note this is the format for interim reports only. Final progress reports must use a different template.</p> <p>For guidance on completing the TCPR please visit: www.ilo.org/intranet/english/bureau/pardev/tcguides/templates.htm</p>

SECTION A: STATUS SUMMARY		
1. Budget / Planning Information		
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



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2. Outputs

OUTPUT DELIVERY ^a					
Output		Output weighting	Percent complete	Output status	Output summary (1000 characters maximum)
Immediate Objective: The Government of Timor-Leste is more effectively planning, budgeting and managing rural road works using labour based methods, as appropriate.					
1.1	Basis and capacity for technical oversight of rural road packages developed	35%	1%	Not started yet, with the exception of: i) initiating works and procurement to establish office facilities and other required operational facilities/equipment, and: ii) limited training of Public Works supervisors and assistant-supervisors in conducting detailed technical survey	<p>As no adequate office facilities were available for R4D at the time it was officially endorsed and launched, major renovation works had to be undertaken at the designated building (the Public Works Regional Office for Dili Region). By 30th June 50% of these renovation works had been completed. In addition, required renovation works at Public Works' Baucau Regional Office were initiated (R4D's Regional Project Offices will be located within the Public Works' 5 Regional Offices).</p> <p>Equipment and transportation requirement for the R4D Main Project Office in Dili and transportation requirements for R4D's 5 Regional Offices were discussed and finalized and procurement for this equipment and transportation requirement was initiated.</p> <p>A total of 46 training-days of training to 4 Public Works Supervisors (for Baucau, Viqueque, Lautum and Aileu District) was provided by the ILO TA in planning and undertaking detailed technical road feasibility surveys.</p>
1.2	Rural Roads Master Plan developed	15%	0%	Not started yet	Apart from limited preparatory activities, this activity will only be started once the ILO International Roads Engineering Specialist starts his assignment (1 st October 2012).
1.3	Capital investments in construction, rehabilitation and maintenance delivered	30%	1%	Not started yet, with the exception of the start of detailed technical surveys for selected schemes and the preparation of detailed designs for those selected schemes	As of 30 th June 2012, 17 road links with a total length of 162 km have been identified, prioritized and selected for rehabilitation under R4D. For all of these road links the reconnaissance surveys have been completed, including the collection and documentation of basic information about these road links. For 2 out of the 17 selected road links the detailed technical feasibility survey has been completed and for these 2 road links the detailed design is on-going.
1.4	Protocol for developing Annual Action Plan (AAP) established	5%	0%	Not started yet	As key ILO TA staff to be involved in developing/assisting in the preparation of (protocols for) AAPs will only take up their assignments from October 2012 onwards, and considering the current limited availability of MPW counterpart staff for R4D, is has not been possible yet to start with this activity.
1.5	Small contractor procurement system established	5%	1%	Not started yet, with the exception of initial discussions with Public Works on contracting procedures and formats for R4D	Whereas the R4D project document clearly mentions that the ILO is responsibility for the procurement of physical works, following its own procurement procedures and quality control systems, MPW wants to assume significant contractual responsibility as well in contracting physical works to small local contactors. Initial discussions with MPW have been held on this key issue but further in-depth

^a Based on the tentative Implementation Plan and information provided in the outline of the Logical Framework as presented in the R4D Project Document. As the R4D logical framework and M&E framework still need to be finalized in consultation with the stakeholders, it is likely that the currently presented framework of outputs and related indicators will be modified and/or elaborated.

				discussions between ILO and MPW will be required to reach an agreement on this key issue.
1.6	Knowledge management unit established	10%	0%	Not started yet, with the exception of initiating procurement of equipment required for the Knowledge Management Unit
				Initial requirements for the procurement of equipment/facilities needed in support of knowledge management activities have been identified and procurement has been initiated.

OUTPUT QUALITY ^b				
Output	Output indicators	Indicator Milestone (end of year 1) (compare planned against actual)		Output quality summary
Immediate Objective: The Government of Timor-Leste is more effectively planning, budgeting and managing rural road works using labour based methods, as appropriate				
1.1	R4D Steering Committee established and functional	It is proposed to establish the Steering Committee not later than 1 st November 2012 and to hold the 1 st Steering Committee meeting not later than 1 st December 2012		To implement as per plan
	Adequate staffing inputs provided by Public Works for the implementation of R4D	Preferably all counterpart staff to be assigned and available for work on full-time basis with ILO TA staff not later than 31 st December 2012		This is critical as all ILO TA staff will be in place from 1 st November 2012 onwards and without assigned counterpart staff, the efficiency of the ILO TA staff may be reduced.
	Establishment and staffing a Rural Roads Department within the Directorate of Roads, Bridges and Flood Control (DRBFC) of the Ministry of Public Works	Preferably to be established before 31 st December 2012 as this will provide the institutional setting for R4D's envisaged capacity building activities		Indications from Public Works suggest that the establishment of the Rural Roads Department is expected to be approved and initiated within a couple of months after the installation of the new Government.
	Capacity needs assessment completed and capacity development plan prepared and implemented as scheduled	As per the R4D project document, the capacity needs assessment is scheduled to be completed within 5 months of the actual start of R4D, i.e. by 30 th September 2012.		Due to delays in establishing Rural Roads Department, assignment of counterpart staff and deployment of ILO Capacity Development Specialist (starting the 4 th week of September 2012), it is expected that the capacity needs assessment can only be completed by 30 th November 2012.
		As per the R4D project document, the capacity development model and plan is scheduled to be completed within 9 months of the actual start of R4D, i.e. by 31 st January 2013.		The completion of the capacity development framework is scheduled to be completed as originally foreseen, i.e. by 31 st January 2013.
		As per the R4D project document, the implementation of the capacity development model and plan is scheduled to start in the 10 th month after the start of R4D, i.e. in February 2013.		The implementation of capacity development model and plan is scheduled as originally foreseen, i.e. from February 2013 onwards.
	M&E framework, logical framework and reporting framework for R4D finalized and used	As per the R4D project document, these frameworks are scheduled to be completed within 6 months of the actual start of R4D, i.e. by 31 st October 2012.		As the ILO M&E and Knowledge Management (KM) Specialist is not expected to start his/her assignment before 1 st October 2012 - and considering the current absence of key counterpart staff - it is expected that the M&E Framework, the Logical Framework and the Reporting Framework can only be finalized in December 2012.
	Annual Action Plan (AAP) prepared in time and as per agreed protocol	The Directorate of Roads, Bridges and Flood Control (DRBFC) has informed that a proposal and budget for 2013 has been prepared but the ILO TA has no further information about this, as this plan and budget has not been shared yet with the ILO TA		As a priority activity it is proposed that the available information with DRBFC regarding the budget proposal for R4D for 2013 is shared as soon as possible, that a protocol for the preparation of the AAPs is developed and agreed and that an AAP (in particular its budget) for R4D for 2013 is prepared in accordance with the GoTL's budget for R4D for 2013 as mentioned in the R4D project document.
Annual budget allocated by GoTL for rural road works through R4D	As per the R4D project document, it was expected that the GoTL would allocate for R4D's first year of implementation US\$ 1.9 million of physical works and US\$ 0.23 million for staffing		As a matter of priority, it is proposed to initiate high-level discussions with the Ministry of Public Works (the former Ministry of Infrastructure) with the aim of	

^b Based on the performance indicators and work plan as outlined in the R4D project document. These need to be verified and, as required, modified and elaborated in close consultation with the key stakeholders during a participatory Logical Framework and M&E workshop.

		inputs. For the second year these figures are respectively US\$ 3.1 million and US\$ 0.58 million. Apart from some limited inputs of staff, no GoTL contributions for R4D for 2012 have been secured. The ILO TA has not been able yet to obtain information from DRBFC about the GoTL planned budget allocation for R4D for 2013.	securing the envisaged GoTL contribution for R4D.
	Construction standards, technical specifications, works norms, unit cost rates and quality control & assurance requirements finalized and endorsed by Public Works	It has not been possible yet to get complete information from DRBFC about available standards, specification, norms, rates, etc. The ILO TA will continue to pursue this.	As mentioned in the R4D project document, a period of 12 months has been allocated for the development of the various specifications, norms, standards, etc. Subject to the availability of counterpart staff and access to information about existing norms, standards, specifications, etc, it is expected that all norms, standards, specifications, etc. can be finalized by February 2013.
	% of rural road contract packages subject to technical design	36 road contract packages are scheduled for the first year. As of 30 th June 2012 a total length of 162 km of rural roads - that have been selected for rehabilitation - has been subjected to a reconnaissance survey. During the first year approximately 50 km of rural roads will be rehabilitated – in accordance with the procurement scheduled of the R4D project document. For 10 km of rural road works to be undertaken under R4D the detailed design has already been prepared.	It is expected that for all the rural road packages that will be procured during the first year of implementation, all technical designs will be completed not later than 1 st November 2012. This includes approximately 50 km of rural road rehabilitation, the routine maintenance of 400 km of rural roads (subject to the confirmation that there are 400 km of still maintainable rural roads in the rural road network in Timor-Leste), and the periodic maintenance of 80 km of rural roads (subject to the identification of 80 km of rural roads that can be subjected to periodic maintenance).
	Number and value of rural road contracts procured	A first batch of 22 rural road contract packages with an estimated value of US\$ 2.5 million procured (this is excluding works done with GoTL funding as GoTL has not allocated any funds yet for R4D). As per the tentative procurement plan for works for AusAID funds, it is expected that by 30 th April 2013 (i.e. 1 year after the actual start of R4D) expenditures for physical works will be around US\$ 2 million.	Subject to an early agreement between Public Works and ILO on contracting procedures, formats and responsibilities, and based on the availability of adequate counterpart staff, it is expected that the start of the first batch of physical implementation works can start sometime in November/December 2012.
	% of annual rural roads budget expended	No % has been set yet. As a target. It is tentatively proposed to set this % at 80% for the first year of implementation (for AusAID funds; no GoTL funds allocated yet for R4D).	This output indicator still needs to be finalized.
	Funds disbursed for community labour per year	During the first year of implementation it is expected that approximately US\$ 1 million will be disbursed for community labour (from the AusAID contribution).	Physical works have not started yet
	% of rural road contract packages that meet all established technical standards	100%	R4D will not compromise on technical standards and strict quality control and assurance standards will be applied.
	Environmental and Social Safeguards Framework finalized and endorsed by Public Works	As per the R4D project document this is scheduled for completion within 6 months of the actual start of R4D, i.e. by 31 st October 2013.	As the ILO Senior Roads Engineering Specialist and the Gender Specialist will only take up their assignments on 1 st October 2012 and considering the fact that no counterpart staff is available two work with these specialists, it is proposed to re-schedule the completion of these frameworks to 31 st December 2012
1.2	Detailed implementation plan and budget for the development Rural Road Master Plan developed and implementation modalities endorsed by Public Works	Originally scheduled to be completed within 4 months of actual start of R4D, i.e. by 31 st August.	Proposed to re-schedule as ILO Senior Roads Engineering Specialist only starts 1 st October 2012 and as hardly any counterparts are available at present. Proposed new deadline for completion of implementation plan and budget: 31 st December 2012.
	Plan for the development of the Rural Road Master Plan implemented as scheduled	As per the R4D project document, 8 months have been envisaged for this activity. This Master Plan should thus be ready by 31 st August 2013.	The timely completion of the Master Plan will depend to a large extent to the availability of qualified consultants to whom the work can be outsourced and the availability of adequate resources within Public Works to manage and supervise the

	Rural Road Master Plan available and accessible to concerned stakeholders	To be available as of 1 st September 2013	works and to provide supporting inputs.
	Rural Master Plan used for planning of annual rural investment plans and budgets	Starting with the 2014 annual investment plan.	
	Rural Roads Master Plan updated on annual basis	To be done every year, starting in 2014	
1.3	Kilometres of new rural roads developed per year	Year 1 target: 5 km	This activity is supposed to be funded with GoTL funding. As no funds have been made available yet by GoTL for R4D it is not likely that this target can be met
	Kilometres of exiting rural roads rehabilitated per year	Year 1 target: 50 km (of which 30 km with AusAID funding)	Subject to an early agreement with Public Works about contracting procedures, formats and responsibilities, it is envisaged that this target can be achieved for the AusAID funded 1 st year target of 30 km (and even exceed). As GoTL has not made funds available yet, it is not likely that its target of 20 km can be achieved during the first year.
	Kilometres of existing rural roads maintained per year	Year 1 target: Routine maintenance: 700 km (of which 400 km from AusAID contribution) Periodic maintenance: 150 km (of which 80 km from AusAID contribution).	Subject to an early agreement with Public Works about procurement modalities and responsibilities and the availability of counterpart staff, it is expected that the targets under the AusAID contribution can be achieved. As GoTL has not allocated funds for R4D yet, it is not likely that the targets under their envisaged contribution will be met the first year.
	Number of person-days of community labour utilised	285,000 person-days (for AusAID contribution only). As GoTL has not allocated any funds for R4D road works yet it is not expected that the target for utilizing person-days of community labour from the GoTL contribution will be achieved during the first year.	The utilization of community labour will start once physical works commence, i.e. from November/December 2012 onwards.
1.4	Protocol for Annual Action Plan developed and endorsed by Ministry of Public Works	Protocol for AAP available not later than November 2012 to ensure that the AAPs can be used for planning of R4D investments in subsequent years.	
1.5	Systems, procedures, responsibilities and formats related to the procurement of physical works through small contractors (including sub-contracting to communities) developed and endorsed by Public Works	As per the R4D project document this should be finalized within 12 months of the start of R4D, i.e. by March 2012. Considering the urgency of having these systems, procedures, responsibilities and formats agreed upon to enable the procurement of works, it is proposed to ensure that these activities are finalized not later than October 2012	Public Works has indicated that it wants to have significant responsibilities in contracting works but as the ILO is responsible and accountable to AusAID for AusAID's contribution that has been channeled through ILO, the ILO has to follow its own internal procedures and regulations regarding the procurement of works. This is a key issue that needs to be resolved as soon as possible and AusAID's support in resolving this issue may be required.
1.6	Various systems, modalities, procedures and responsibilities with regards to knowledge management developed and endorsed by Public Works	In accordance with the R4D project document these systems, modalities, procedures and responsibilities should be developed within 12 months of the actual start of R4D, i.e. by 30 th April 2013. Systems to be developed include an MIS/GIS (including contract management system, a rural roads information system, a system for monitoring the physical and financial progress, a system to monitor compliance of environmental and social safeguards, and a system to monitor the progress/achievements regarding capacity development).	With the majority of the ILO international TA staff to be involved in these activities starting their assignments in the period mid-September to 1 st November 2012, it is envisaged that it is possible to have the various systems developed and operational by 30 th April 2012. A key condition is however the availability of key counterpart staff as envisaged in the project document.
	% rural road contract packages properly recorded in contract management systems	The proposed target indicator to be set for this output is 100%	Compliance to adherence to this performance indicator will be monitored once tendering for physical works is starting (expected to start in November 2012).
	Various baselines established, including those related to R4D's intended effects and impacts on capacity building of Public Works and improved rural road access for the targeted beneficiaries	As per the R4D project document, a system to monitor the effects and impacts of improved rural road access and the effects and impact of R4D on capacity building needs to be established within 6 months of the start of R4D, i.e. by 31 st October.	As the ILO M&E and KM Specialist and the Capacity Development Specialist are scheduled to start at the beginning of October 2012, and as there are no Public Works counterpart available at present, it is proposed to reschedule the completion of

		the development of these systems to 31 st December 2012. Subsequently, it is proposed to implement the first round of baseline studies in the period January-February 2013.
Various intermediate- and endlines established, including those related to R4D's intended effects and impacts on capacity building of Public Works and improved rural road access for the targeted beneficiaries	Not scheduled for the first year of implementation	Intermediate and end-line studies will be conducted from the second year of implementation of R4D onwards. The precise timing is still to be finalized.
All key data relevant for the planning, budgeting, designing, cost-estimation, contracting, contract management, implementation, quality control and monitoring & evaluation of R4D available in the Knowledge Management Unit of R4D/Public Works	From 1 st May 2013 onwards, when the supporting tools/systems have been developed and are operational, key data will be available through these systems. From that moment onwards, this indicator will be monitored	Monitoring to this indicator to take place from May 2013 onwards.

OUTPUT CLASSIFICATION ^c

- | | |
|---|---|
| <input type="checkbox"/> Highly satisfactory
Implementation of almost all (>80%) outputs is on schedule as envisaged in the implementation plan and almost all (>80%) indicator milestones have been met. | <input checked="" type="checkbox"/> Satisfactory
Implementation of the majority (60-80%) of outputs is on schedule, based on a Project starting Date in May 2012, as envisaged in the project document and the majority (60-80%) of indicator milestones have been met. |
| <input type="checkbox"/> Unsatisfactory
Some (40-60%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only some (40-60%) indicator milestones have been met. | <input type="checkbox"/> Very unsatisfactory
Few (<40%) outputs are being implemented on schedule as envisaged in the implementation plan and/or only a few (<40%) indicator milestones have been met. |

Although this progress report officially covers a period of 4 months (March-June 2012), effectively the implementation of project activities only started with the arrival of the ILO Chief Technical Advisor on 2nd May 2012, i.e. this progress report actually covers the progress over a period of the first two months of implementation. The key emphasis during these two months was on: i) the establishment of office facilities; ii) the recruitment of 10 international ILO TA Specialists and local support staff (like drivers, admin/finance support personnel); iii) the identification and procurement of required (office) equipment and transportation requirements; iv) the identification, prioritization and selection of rural road schemes for implementation during the first year and starting feasibility studies for selected schemes, and; v) the establishment of working relationships with the Directorate of Roads, Bridges and Flood Control. Overall, the progress during the first two months of implementation (May and June 2012) has been in accordance with activities as presented in the tentative overall work plan for R4D (see annex 13). In the period May-June 2012 only the composition of the ILO TA team only included the CTA and two Regional Engineers. In addition, hardly any counterpart staff has been available during the first two months to work with. It was therefore practically impossible to undertake a capacity needs assessment or to prepare a comprehensive annual work plan for the first year.

Key issues that may cause undue delays and/or disturbances to project implementation are the following:

- The fact that counterpart staff is still largely unavailable
- The difficulties in obtaining access to key information (in particular with regards to GoTL budgeting and planning)
- Public Works' view regarding its envisaged formal responsibilities and role in procuring physical works with AusAID funds that are being managed for AusAID by ILO.
- The lack of confirmed GoTL funding contributions to R4D as outlined in the R4D project document

These 4 key issues need to be discussed and addressed as a matter of priority between GoTL/Public Works, AusAID and ILO in order to ensure an uninterrupted continuation of the implementation of planned R4D activities.

^c This is a self-assessment

3. Immediate Objectives

IMMEDIATE OBJECTIVE ACHIEVEMENT ^d

Indicator	Baseline	Indicator Milestone (compare planned against actual)	Target (end-of-project total)	Immediate Objective summary
Immediate Objective: The Government of Timor-Leste is more effectively planning, budgeting and managing rural road works using labour based methods, as appropriate				
Changes in the GoTL effectiveness in planning, budgeting and managing rural road works	A baseline will be established during the implementation of the capacity needs assessment and the subsequent development of a capacity development framework	Indicator milestones will be established during the formulation of the capacity development framework and the formulation of the M&E framework before the end of 2012. Baseline studies will commence in January 2013	To be determined during the formulation of the capacity development framework and the formulation of the M&E framework before the end of 2012. Monitoring of achievement of targets will be done through intermediate- and end-line studies.	The Government of Timor-Leste is more effectively planning, budgeting and managing rural road works using labour based methods, as appropriate
GoTL commitments to reforms in the rural roads sub-sector; progress of the departmental capacity developments.	A baseline will be established during the implementation of the capacity needs assessment and the subsequent development of a capacity development framework	Indicator milestones will be established during the formulation of the capacity development framework and the formulation of the M&E framework before the end of 2012. Baseline studies will commence in January 2013.	To be determined during the formulation of the capacity development framework and the formulation of the M&E framework before the end of 2012. Monitoring of achievement of targets will be done through intermediate- and end-line studies.	Rural road access has improved Rural woman and men are deriving social and economic benefits from improved rural road trafficability

IMMEDIATE OBJECTIVE ACHIEVEMENT CLASSIFICATION ^e

<input type="checkbox"/>	Highly probable Almost all (>80%) reporting period milestones have been met. Based on the indicators, it is highly probable all immediate objectives will be achieved by the end of the project.	<input checked="" type="checkbox"/>	Probable The majority (60-80%) of reporting period milestones have been met. Based on the indicators, it is probable the majority of immediate objectives will be achieved.
<input type="checkbox"/>	Low probability Some (40-60%) reporting period milestones have been. Progress is being made on the immediate objectives but based on the indicators only some immediate objectives will be achieved.	<input type="checkbox"/>	Improbable Few (<40%) reporting period milestones have been met. Limited progress is being made on the immediate objectives and based on the indicators only a few immediate objectives will be achieved.
Although specific milestones have not been finalized yet, the design of R4D, and the approach to address identified challenges - as presented in the project document - provide a very comprehensive and solid foundation for the implementation of R4D. A key condition will be continued interest, commitment and contribution by GoTL to the implementation of R4D.			

^d Based on the M&E framework in R4D Project Document; the information provided in the matrix may be subject to modifications; subject to the outcome to participatory logframe and M&E workshops and the development of the capacity development framework.

^e This is a self-assessment

4. Risks and Assumptions			
RISK TRACKING ^f			
Key Assumptions	Risk level		Describe current risk and any mitigation measures (1000 characters maximum)
	Start-of-project	Current	
GOTL MAKES ADEQUATE FINANCIAL ALLOCATIONS TO RURAL ROAD WORKS, THROUGH ITS ANNUAL BUDGET PROCESS, AND IMPLEMENTS REFORMS TO STRENGTHEN ROAD MANAGEMENT SYSTEMS			
Road infrastructure and rural development remain key priorities for GoTL and the political will and interest to develop the rural road network can be maintained and built upon after elections in 2012	LOW	LOW	<ul style="list-style-type: none">• Policy dialogue, drawing on and demonstrating the outputs, effects and impacts of TIM-Works and R4D as implementation progresses, to maintain and 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 budgets for the rural roads sub-sector• Alignment of R4D with GoTL's priorities for investments in rural roads as outlined in the SDP 2011-2030
MPW and DRBFC will continue to support initiatives required for the development, improvement and institutionalization of required investment plans and effective operational systems needed for the planning and implementation of rural road works.	LOW	MEDIUM	<ul style="list-style-type: none">• As agreed with MPW and DRBFC during the design process, R4D will provide substantial capacity development, technical advice and implementation support in developing, improving, operationalizing and institutionalizing key plans and systems required for effective road management - with a strong emphasis on the establishment of knowledge management functions within DRBFC (including a rural road master plan; planning systems; road works identification, prioritization and selection systems; management information systems, quality assurance & quality control systems; M&E systems; reporting systems).• To address this key issue, a meeting between AusAID and the Ministry of Public Works is proposed to discuss this critical aspect and to agree on the way forward.
DRBFC AND DA OFFICES EFFECTIVELY PLAN AND DELIVER INVESTMENTS FOR RURAL ROAD WORKS - USING LABOUR-BASED METHODS WHERE APPROPRIATE - WITH EXTERNAL ADVISORS PROVIDING SUPPORT AND ASSISTANCE WITH MORE COMPLEX TASK			
Leadership and staff commitment within DRBFC and other relevant agencies is sufficient to build capacity and other factors such as staff turnover do not undermine capacity building	MEDIUM	MEDIUM	<ul style="list-style-type: none">• R4D will build leadership and staff commitment through the close engagement of senior officials, policy dialogue and the integration of R4D's set-up within DRBFC's institutional structures and procedures.• An on-going policy dialogue with concerned MPW, DRBFC and SEFOPE senior officials prior to the official start of R4D is proposed with the aim of obtaining firm commitments regarding required DRBFC staff inputs and the transition of SEFOPE's engineers and supervisors who are now assigned to TIM-Works (which will be completed in February 2012) to R4D. ILO and SEFOPE envisage that the majority of the SEFOPE engineers and supervisors who are now working in TIM-Works will be transferred to DRBFC to become district-level counterpart staff, thereby assuring a core capacity at district level for the delivery of rural road investments, from the start of R4D onwards. Details of such transitional arrangements need to be agreed upon as soon as possible.• Capacity development activities will be assessed, planned and implemented with close involvement of DRBFC to manage the risks posed by staff turnover, including by focussing on team performance as well as individual skills. Capacity building support - following a staged approach - will be delivered in line with

^f Based on Risk Assessment as presented in the final R4D Project Document

			<p>evolving absorption capacities in DRBFC</p> <ul style="list-style-type: none"> Through capacities built in DRBFC and also by providing direct capacity building support, R4D will be able to support the DAs in building their 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 provide resources for DRBFC counterpart staff. A long term perspective (initially a 4 years implementation period - aiming at achieving DRBFC performance at "guided-assisted" level - but with the possibility of considering a 4-years extension to achieve a fully "independent" DRBFC performance) and clear strategy for phased handing-over of responsibilities will provide for sustainable institution building. If increased staffing levels in DRBFC will not materialize, as recommended by the design mission, sufficient flexibility has been incorporated in R4D's design - in particular with regards to ILO staff inputs - that R4D's capacity of delivering the envisaged physical works will not be jeopardized even if less additional DRBFC counterpart will become available than anticipated.
Uncertainties related to the pace and direction of the decentralization - in particular in relation to institutional responsibilities of DRBFC and the DAs regarding the planning and procurement of rural road investments - taking into account the possibility of a greater shift of responsibilities for rural roads from MPW/DRBFC to MSATM or ADN or other agencies - will not adversely affect R4D's immediate objective.	MEDIUM	MEDIUM	<ul style="list-style-type: none"> R4D will work with and support DRBFC and the DAs directly involved in rural road planning, procurement and management and will adopt a flexible approach which can adapt to a changing environment, 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. Whether a dedicated Department of Rural Roads (DRR) will be established within DRBFC or not, this is not likely to adversely affect the effectiveness of the R4D support to DRBFC, as this support can adapt easily to evolving institutional arrangements in DRBFC. The R4D budget for TA and other capacity building resources is sufficient and incorporates sufficient flexibility to adapt to possible changing responsibilities and requirements of DRBFC and the DAs in terms of providing advice and capacity building/implementation support for the planning, procurement and management of rural road investments. R4D has incorporated sufficient flexibility in its design that will allow for a re-direction of its support to MSATM, the DAs or other agencies involved in the planning and procurement of rural road works.
Effective and harmonized/standardized procurement systems are a key pre-requisite for the delivery of investments in rural road works and strong support from MPW and MSATM will be required to put such systems in place in DRBFC and in the DAs	MEDIUM	MEDIUM	<ul style="list-style-type: none"> Through policy dialogue with MPW and MSATM, R4D aims at reaching an early agreement with MPW and MSATM on measures/activities to be taken to ensure the establishment of effective procurement systems and procedures, with responsibilities between MSATM and DRBFC for procurement rural road works clearly defined. 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. R4D provides sufficient ILO Specialist inputs to ensure necessary support to DRBFC and DAs in procuring works, in case expected staffing resources in DRBFC and DAs cannot be

			developed in the way envisaged by R4D.
Donors in the roads sector, particularly the rural roads sub-sector, are willing to coordinate and to improve the effectiveness of investments	LOW	LOW	<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 not only have R4D specific responsibilities but will also be taking the lead in the coordination of all rural road investments and initiatives in Timor-Leste, including rural roads investment planning, and the further strengthening, improvement and harmonization of systems, guidelines, standards, mechanisms and procedures for planning and implementation of investments in the rural road network.
A labour-based approach is adopted by GoTL wherever cost effective and appropriate	LOW	LOW	<ul style="list-style-type: none"> • Experience from TIM-Works indicates that labour-based approaches are feasible and appropriate and can be cost effective. R4D will build on the successful experiences of TIM-Works for the application of labour-based approaches. • 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 demonstrate the effectiveness and appropriateness of the approaches and building necessary capacities within DRBFC for the effective application of these labour-based approaches, where appropriate.
Transparent processes will ensure sound financial management	MEDIUM	MEDIUM	<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. • Donor funds will be managed according to stipulated regulations
Uncertainty about future role of DRBFC Regional Offices does not affect planning and delivery of investments in rural roads. MPW/DRBFC envisages that Regional Offices' roles in future will focus on provision of support in preparing tenders, in bid evaluation, in supervision, quality control and assurance, and in the certification of works. The ADN on the other hand expects that the DRBFC Regional Offices will be discontinued in the future as they are not considered to be operating effectively and are not part of GoTL's administrative set-up	LOW	LOW	<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. The strategic location of these Regional Offices will enable the ILO Engineers to use them as a hub to provide capacity building, technical advice and implementation support in the implementation of R4D, covering the districts that are currently being served by these DRBFC 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, but they will then physically be based in DRBFC's district office in those districts. As such an eventual discontinuation of the DRBFC Regional Offices is not considered to affect the effectiveness of the ILO TA significantly.
CONSTRUCTION OF 40 KM, REHABILITATION OF 450 KM, PERIODIC MAINTENANCE OF 700 KM AND ROUTINE MAINTENANCE OF 1,150 KM OF RURAL ROADS - USING LABOUR-BASED APPROACHES WHERE APPROPRIATE - CREATING 4.7 MILLION WORK-DAYS OF SHORT-TERM EMPLOYMENT (OF WHICH AT LEAST 30% FOR WOMEN) FOR 52,000 BENEFICIARIES LIVING IN RURAL COMMUNITIES			
The GoTL will allocate the funds as recommended by R4D for capital investments that are required (together with AusAID's funds for capital investments) to deliver the targets for physical works and	MEDIUM	MEDIUM	<ul style="list-style-type: none"> • Initiate as soon as possible a dialogue between MPW, MSATM, AusAID and ILO - and including site visits to TIM-Works, starting before the actual scheduled start of R4D, with the aim of securing GoTL's commitments. MPW has already submitted a proposal to MoF to invest

associated short-term employment opportunities.			<p>US\$ 3 million in 2012 for rural roads and the proposed dialogue also needs to follow-up on this to ensure that this request will be endorsed by the GoTL.</p> <ul style="list-style-type: none"> • One of the first priorities of R4D will be to support GoTL in finalizing a comprehensive Rural Roads Master Plan (RRMP). Once this RRMP is completed and endorsed by the GoTL, the RRMP will provide a powerful instrument to secure the 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 and DAs delivery performance through R4D, it is expected that the confidence of GoTL in DRBFC's and DAs capacities to deliver investments in the rural roads sector will increase and that gradually more funds will be channelled through DRBFC and DAs for investments in rural roads infrastructure.
Identification and selection of roads can be done in a fair and transparent manner based on established selection criteria	LOW	LOW	<ul style="list-style-type: none"> • The identification and selection of road works will be aligned in accordance with GoTL priorities as formulated in the GoTL SDP 2011-2030, and taking into account priorities of the Districts and DRBFC as well. • During the inception phase of R4D, indicative road prioritization and selection criteria - that have been formulated in close consultation with DRBFC during the design process - will be finalized and agreed upon with key GoTL stakeholders. • As agreed with DRBFC, initially the draft rural road master plan that was developed with assistance from the EC and agreed selection/prioritization procedures will be used to guide rural road investments during the first year. • Once a comprehensive rural roads master plan (RRMP) has been completed with support from R4D, this RRMP - together with finalized road works prioritization and selection criteria - will provide the overarching direction for investments in rural road works. The RRMP will be updated yearly. • R4D will ensure transparency and openness in the prioritization and selection process and information will be made public in accordance with the communication strategy for R4D that will be developed during the inception period.
Sufficient number of competent companies will tender for works and no poorly qualified contractors will be selected by DRBFC or by the DAs - in particular for rural road works undertaken with GoTL funding through the Government system.	LOW TO MEDIUM	LOW TO MEDIUM	<ul style="list-style-type: none"> • Experience from TIM-Works indicates that there is no shortage of small-scale contractors willing to participate in rural road works. • A cadre of trained contractors graduated from TIM-Works and a number of new companies will be trained under the recently approved EC-funded RRRMP which will start by the end of 2011, i.e. ahead of the start of R4D. • In consultation with DRBFC and MSATM, R4D will establish agreed pre-qualification procedures to ensure that local contractors who participate in the bidding and are contracted for works, meet minimum requirements. • DRBFC's operational assistance at district level to DAs for the procurement of rural road works - supported by R4D ILO engineers - will allow DRBFC and R4D to influence the contractor selection (as per agreed procedures), thereby minimizing the risk of contracting poorly qualified contractors. • As required, R4D will provide

			training/orientation before and during the implementation works to contractors. R4D aims at involving RRRMP as well in the training of selected contractors.
Communities are willing to participate in labour-based works	LOW	LOW	<ul style="list-style-type: none"> • Experience from TIM-Works indicates that this is not a problem, provided that local communities are involved in identification and planning process, as will be done under R4D. As required, R4D will strengthen and support districts' participatory identification and planning processes, which include the Aldeias, Sucos and District Administrations. At district level R4D proposes the placement of DRBFC facilitators and ILO district coordinators to support and strengthen the identification and planning process. • Once particular road works have been selected and contracted out to local small contractors, DRBFC district facilitators - with support from the ILO district coordinators and the Gender Specialist - will engage with the selected contractors and the involved communities to explain and ensure that the various social safeguards are understood and adhered to. • R4D road work activities will take into account seasonal variations in local labour availability and, as needed, downscale construction activities (e.g. in agricultural peak season) to avoid undue competition for casual labour.
R4D IPs are committed to gender equality goals and different needs and constraints of women and men are duly taken into account during the whole project cycle, from planning to implementing and monitoring phases	LOW TO MEDIUM	LOW TO MEDIUM	<ul style="list-style-type: none"> • Through the inputs of the ILO Gender Specialist in the collection and analysis of data with a gender perspective and through the design of specific training activities on gender awareness at community level and on gender mainstreaming for MPW, DRBFC and MSATM officials and other implementing partners, the project will increase understanding of equity and equality concepts and commitment to gender equality goals
No natural disasters affecting road work progress	LOW	LOW	<ul style="list-style-type: none"> • Adequate construction specifications and standards - in particular related to drainage, erosion control and pavements - will be used to minimize erosive effects of rains on roads. These specifications and standards will take into account expected effects of climate change in Timor-Leste, in particular regarding expected increases in rainfall, rainfall intensities and temperatures • The maintenance regime that R4D will apply will also reduce possible adverse effects of heavy rains and floods on the condition of the roads. • R4D Annual Work Plans take into account seasonal construction limitations related to weather constraints (i.e. in particular the rainy season). Lessons learned from TIM-Works will be considered in timing construction works
Environmental impacts of road works are minimized	LOW	LOW	<ul style="list-style-type: none"> • Labour-based construction methods generally ensure that interventions are environmentally friendly as local construction materials will be used in a way that does not cause long-term irreversible environmental impacts • Drawing on the experience of TIM-Works and other rural road programs and projects implemented in similar environmental and terrain settings, R4D will implement environmental safeguards measures to minimize and mitigate possible adverse environmental impacts. • The design of R4D includes a draft environmental framework that will be finalized with key stakeholders during the inception period. R4D will provide technical guidance and capacity and implementation support in finalizing and implementing the environmental

			safeguards framework.
Peace and stability will prevail	LOW TO MEDIUM	LOW TO MEDIUM	<ul style="list-style-type: none"> • Risk assessment will be done from time to time for areas with physical interventions. Should conflict arise in a certain area, project activities will be put on hold or, if conflict is protracted, be redirected. • R4D, through the provision of substantial short-term employment opportunities to the local population - with transparent recruitment procedures in place that are based on the principle of equal access to job opportunities - is expected to contribute to reduce the risk of civil unrest (as high unemployment is seen as when of the key triggers for civil unrest).
Land access issues and distribution of benefits do not contribute to conflict	LOW	LOW	<ul style="list-style-type: none"> • Building on the experience of TIM-Works, appropriate procedures will be implemented for accessing land and ensuring benefits are equitably distributed within and between communities. • The main focus of R4D is on the rehabilitation and maintenance of existing rural roads and these works are not expected to require significant land acquisition, as is also the experience with TIM-Works. In addition, flexible geometric design standards will be used (which are currently being developed through the ADB/AusAID TA to DRBFC) that take into account specific terrain conditions alongside the road alignments. • Where minor land acquisition may be required along existing alignments, R4D will enter into a dialogue with the concerned local beneficiaries and Chiefs of Aldeias and Sucos to settle such issues locally. Experiences from TIM-Works indicate that this approach is effective. R4D will not implement rural road works if no consensus has been reached with concerned local people with regards to minor land acquisition requirements. • 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 regulations and R4D will ensure that these are being adhered to and that consensus is reached with the concerned local people before the start of construction works. • R4D 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.
Direct income for men and women from road works does not contribute to tensions or conflict within or between communities and road works do not lead to negative gender impacts from the presence of outside workers	LOW TO MEDIUM	LOW TO MEDIUM	<ul style="list-style-type: none"> • Drawing on the experience of TIM-Works and appropriate analysis, measures will be put in place 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. • While maintaining the principle of equal job opportunities for women and men, R4D will also include provisions that give due respect to Aldeias' and Sucos' reluctance to employ workers from outside of their administrative boundaries for work on road sections that are located within their Aldeias or Sucos. By doing so, R4D will aim at an equitable distribution of the benefits of short-term local employment opportunities not only within but also between communities and among women and men. This approach has also been successfully used by the

			TIM-Works project.
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5. Performance issues (not relevant at this stage yet as only the first two months of actual project implementation have been covered in the actual reporting period and it is too early for reviewing performance issues at this very initial project stage)

Check 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 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: | |

SECTION B: NARRATIVE REPORT

1. Perspectives on current status

<p>Briefly explain the overall status of project implementation, making reference to progress under each immediate objective.</p>	<p>Project Management, Monitoring and Evaluation Arrangements</p> <p>Signing of the Contribution Agreement and Project Launch The Contribution Arrangement between the COMMONWEALTH OF AUSTRALIA, represented by the Australian Agency for International Development (AusAID) and the INTERNATIONAL LABOUR ORGANIZATION, represented by the International Labour Office, for R4D was signed on 27 February 2012. On 29 March 2012 R4D was officially endorsed and launched by the Ministry of Infrastructure, AusAID and ILO at a signing ceremony.</p> <p>Staff Recruitment After the signing of the Contribution Arrangement between AusAID and the ILO, staff recruitment started. Initially two international Regional Engineers (for Public Works' Baucau and Maliana Regional Offices) were recruited (as of 1 April 2012). These two Engineers worked previously for the ILO implemented TIM-Works project. Project activities effectively started with the arrival of the ILO CTA on 2nd May 2012. Much emphasis has been given in the period May-June 2012 to the recruitment of staff for the remaining various international positions (10 positions) and for various national support staff. As of 30th June 2012, candidates for all international positions were selected, with the exception of the M&E and KM Specialist. Based on the availability of the selected candidates, the preferred starting dates for the different positions - and considering ILO HR time requirements for processing the various administrative requirements -, the tentatively envisaged starting dates of the selected candidates for the different posts is as follows:</p> <ul style="list-style-type: none"> • 3 Regional Engineers: end July - early August 2012 • Procurement/Contract Management Specialist: mid-September 2012 • Senior Engineering Specialist, Capacity Development Specialist, M&E and KM Specialist, and Gender Specialist: end September - early October 2012 • Database and GIS Specialist: early November 2012. <p>The recruitment of national support staff - including 14 drivers and administrative/finance support staff - is on-going and is expected to be completed by the end of October.</p> <p>Office Facilities MPW had designated space within the Public Works Dili Regional Office for the R4D Main Project Office. Substantial renovation works needed to be undertaken however to make the designated space suitable and secure for use as project office. Renovation works were defined, BoQs and cost-estimates were prepared and Requests for Quotations were obtained from companies registered under the Women's Business Association. One of the companies was selected and renovation works started mid-June. As of 30th June approximately 25% of the renovation works were completed. Limited renovation requirements were also identified for the R4D Baucau Regional Office and renovation works have started. These are expected to be finished during the second half of July 2012. For the 3 remaining Public Works Regional Offices where R4D's Regional Project Offices will be located, renovation requirements are still to be identified. This will be done once the 3 remaining ILO international Regional Engineers have taken up their assignment (end July - early August). Internet was also not available at the designated R4D main office and a request for its installation is being processed through Timor Telekom.</p> <p>Procurement Much attention has been given in the period May-June 2012 to the identification of required equipment and transportation needs for R4D and the initiation of the procurement of the first batches of these goods. These included the procurement of vehicles, motorbikes, various IT equipment, cameras, furniture for the R4D head office and regional offices, photocopiers, mobile phones, flash modems, GPS equipment for surveys, communication equipment required to comply with UN security regulations (like satellite phones, hand-held radios, etc). The procurement process for these various equipments, vehicles, motorbikes and other goods has been initiated and it is expected that the majority of these goods, vehicles, motorbikes and equipments will be available by August/September 2012.</p> <p>Work Plan and Procurement Plan As the majority of the ILO TA staff is only scheduled to take up their assignments in September/October 2012 (with the exception of the Regional Engineers, who will be all in place by early August 2012), and as there has hardly been any counterpart staff available to work with the ILO TA staff, it has not been possible yet to develop a comprehensive annual work plan yet for R4D. Such a work plan will include activities related to: i) the planning, design and delivery of physical works; ii) capacity building; iii) the development and use of various systems, procedures and formats required to support the implementation of R4D; iv) the completion and implementation of frameworks for reporting, M&E and Safeguards, and v) knowledge management.</p>
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A detailed procurement plan for R4D was prepared for ILO HQ, being one of the ILO conditions for enabling procurement. A summary of the Procurement Plan was prepared for AusAID as well. This will facilitate monitoring the financial progress of R4D. A detailed R4D monthly disbursement plan for 2012 was also prepared. In terms of work planning for physical works, activities are being planned in consultation with PW/DRBFC on a monthly basis. During the months of May and June activities mainly focussed on the identification, prioritization and selection of road schemes for implementation under R4D, the implementation of detailed technical feasibility studies and the provision of related training to Public Works Regional Office staff (supervisors and assistant-supervisors).

Coordination, Consultations and Information Sharing

In view of the importance of effective coordination, the active involvement of concerned key stakeholders and sharing information with concerned parties, it was agreed with AusAID to have consultations at least on a monthly basis. DRBFC also indicated its interest to have at least monthly consultations between the ILO CTA and the Director of the DRBFC and to have weekly consultations between the DRBFC designated focal person for R4D and the ILO TA team. These agreed consultative arrangements have been implemented and prove to be very useful. The outcome of the consultations between the ILO CTA and the Director of DRBFC have been documented and shared with DRBFC, AusAID and the ILO responsible R4D backstopping official of the ILO Regional Office in Bangkok.

In view of the election in July 2012 and the expected changes in the government related to these elections, it was agreed to postpone the establishment of the R4D Steering Committee, until September/October 2012, i.e. once the new Government has been formed.

At district level, the ILO TA team and their counterparts of the Public Works Regional Office have been consulting the District Administrations in the identification, prioritization and selection of road schemes.

Once the ILO M&E and Knowledge Management (KM) Specialist has joined the project (scheduled for early October 2012), a comprehensive communication and information-sharing strategy will be developed for R4D.

Monitoring and Evaluation

Based on the outline of the M&E and Logical framework as presented in the R4D project document, a comprehensive M&E and Logical framework for R4D will be developed in the period October/November 2012. These frameworks will provide the specific details of what, how, when and by whom the various aspects of R4D will be monitored and evaluated.

One of the monitoring/evaluation tools as mentioned in the R4D project document is the use of joint annual GoTL/AusAID/ILO Independent Monitoring Group (IMG) reviews. The first of these reviews is scheduled for later November- Early December 2012. The terms of reference for this IMG review will be prepared in September.

Immediate Objective: The Government of Timor-Leste is more effectively planning, budgeting and managing rural road works using labour based methods, as appropriate

Selection of Roads for implementation under R4D

The identification, prioritization and selection of rural roads for rehabilitation under R4D is being done in close consultation and involvement of the District Administrations, DRBFC and the Public Works Regional Offices. During reconnaissance surveys basic data are being collected that facilitate the prioritization of the roads. These data are being recorded in basic fact sheets of the roads.

Whereas R4D covers all 13 districts of the country, physical road works related to road rehabilitation will be limited to 5 districts during the first year of implementation, as mentioned in the project document. The rationale is that this will facilitate supervision during R4D's first year of implementation when the project is being established. These 5 districts would be the districts where the Public Works Regional Offices are located, as suggested in the R4D project document. In consultation with DRBFC it has been agreed that during the first year of implementation, rural road rehabilitation works will be undertaken through R4D in the following districts:

Dili Region: Aileu district
 Baucau Region: Baucau district
 Maliana Region : Bobonaro district
 Oecusse Region : Oecusse district
 Same Region: Still to be decided.

As of 30th June 2012 reconnaissance surveys of 17 road links have completed and detailed technical feasibility studies on 2 of these road links have been completed and for 2 roads

	<p>detailed technical surveys are on-going. Designs for the two roads where the detailed technical feasibility study have been completed, are on-going.</p> <p>Because of staffing constraints, no work could be undertaken yet in identifying and selecting rural roads for routine and periodic maintenance under R4D's first year of implementation. The start of this activity is scheduled to start in September 2012, once all the 5 ILO Regional Engineers have taken up their posts.</p> <p>Contracting Procedures, Formats and Responsibilities with regards to the implementation of R4D road works</p> <p>A key priority is to reach agreement between Public Works / DRBFC and ILO regarding the contracting procedures, formats and responsibilities regarding contracting works under R4D. Although it is clearly specified in the project document that ILO is responsible and accountable for the funds channeled by AusAID to the ILO for the procurement of works, goods and services, Public Works / DRBFC want to assume major responsibilities for the procurement of road works funded with the AusAID contribution. Initial discussions on this subject have been held with DRBFC, AusAID and ILO HQ but no agreement on this has been reached yet. It is of key importance that this issues is resolved at earliest in order to avoid delays in the implementation of the physical works.</p>
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2. Issues and actions	
<p>Examine the main challenges facing the delivery of outputs and achievement of immediate objectives.</p> <p>These can be issues that have already been encountered or are foreseen.</p>	<p>The key challenge is to reach an agreement with Public Works / DRBFC with regards to its formal responsibilities for the procurement of works using the AusAID funding contribution that is being managed through the ILO. Intervention by AusAID may be required if this issue cannot be resolved directly between Public Works / DRBFC and the ILO</p> <p>Another key challenge is to obtain formal financial commitment from the GoTL / Public Works regarding its financial contributions for R4D, as outlined in the R4D project document. AusAID's support in this would be required.</p> <p>A further challenge is to ensure that Public Works is providing sufficient counterpart support to the ILO TA team, in order to enable an effective and meaningful collaboration between Public Works and the ILO TA team.</p>
<p>Explain corrective actions taken or to be taken regarding implementation challenges, delayed delivery, and the low probability of achieving immediate objectives.</p>	<p>To address the challenges as outlined in above section, it is recommended that high level consultations take place between AusAID and the Ministry of Public Works / the Government of Timor Leste with the aim of obtaining firm and specific commitments from the GoTL and Public Works regarding its contributions and involvement in R4D.</p>
<p>Briefly explain any reformulations of project immediate objectives or outputs, and their corresponding indicators and targets.</p>	<p>At this stage this is not required.</p>
<p>Briefly describe any evaluations, project reviews, self-assessments or undertaken, including follow-up to findings and recommendations.</p>	<p>No evaluations undertaken yet. The first Independent Monitoring Group (IMG) review is scheduled for late November - early December 2012.</p>

3. Lessons learned	
<i>Describe any lessons, positive and negative, that have been learned during project implementation. Organise the lessons using the headings below.</i>	
Context and implementing environment	Considering the challenging environment in which R4D operates, in particular with regards to DRBFC's capacity constraints (including very limited availability of DRBFC staff to work with the ILO TA team), its perceptions of the role of the ILO (still being perceived as consultants and not as technical assistance), the difficulties the ILO TA team is facing in obtaining information, and a lack of clarity regarding the funds committed by GoTL for R4D, it would have been useful - and still is useful - to have a high level meeting with Public Works to discuss these issues and clarify them.
Project strategy and design	No lessons learned at this stage of project implementation
Advocacy, Communications and Capacity building	No lessons learned at this stage of project implementation
Implementation and Institutional Arrangements	A lesson learned is that it is important to confirm before the official launch of a project that the Government Implementing Partner understands the implementation arrangements (in particular with regards to procurement) and accepts these arrangements.
Any other areas	No lessons learned at this stage of project implementation

SECTION C: ANNEXES

1. Summary Draft Procurement Plan
2. Status Road Selection and Survey & Design Work

ANNEX 1

SUMMARY DRAFT PROCUREMENT PLAN R4D (rounded figures)																		
		2012			2013				2014				2015				2016	TOTAL
No.	Budget Item	2nd Q 2012	3rd Q 2012	4th Q 2012	1st Q 2013	2nd Q 2013	3rd Q 2013	4th Q 2013	1st Q 2014	2nd Q 2014	3rd Q 2014	4th Q 2014	1st Q 2015	2nd Q 2015	3rd Q 2015	4th Q 2015	1st Q 2016	
10	Personnel	150,000	333,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000	9,303,000
20	Sub-contracts	0	210,000	950,000	1,000,000	1,250,000	1,500,000	1,500,000	1,500,000	1,250,000	1,250,000	1,000,000	750,000	750,000	750,000	750,000	750,000	15,160,000
30	Training	2,000	8,000	40,000	20,000	20,000	20,000	25,000	20,000	20,000	20,000	25,000	20,000	20,000	20,000	20,000	27,000	327,000
40	Equipment	20,000	750,000	100,000	50,000	50,000	50,000	50,000	0	0	0	0	0	0	0	0	0	1,070,000
50	Miscellaneous	5,000	72,000	75,000	75,000	75,000	75,000	70,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	1,122,000
60	Support cost	23,000	178,000	233,000	231,000	263,000	296,000	296,000	289,000	257,000	257,000	225,000	192,000	192,000	192,000	192,000	192,000	3,508,000
70	Provisions	0	0	0	96,900	96,900	96,900	96,900	92,800	92,800	92,800	92,800	60,600	60,600	60,600	60,600	113,000	1150200
	Total Quarterly	200,000	1,551,000	2,028,000	2,102,900	2,364,900	2,667,900	2,667,900	2,606,800	2,324,800	2,324,800	2,047,800	1,736,600	1,736,600	1,736,600	1,736,600	1,787,000	
	Cumulative	200,000	1,751,000	3,779,000	5,881,900	8,266,800	10,934,700	13,602,600	16,209,400	18,534,200	20,859,000	22,906,800	24,643,400	26,380,000	28,116,600	29,853,200	31,640,200	31,640,200
	Per Year	3,779,000			7,155,700				9,304,200				6,946,400				1,787,000	

ANNEX 2

**SUMMARY OF IDENTIFIED PRIORITY RURAL ROADS BY DISTRICT AUTHORITIES, PUBLIC WORKS REGIONAL OFFICES
AND ILO TA STAFF – STATUS OF SURVEY/DESIGN AS OF 30 JUNE 2012**

	PW Region	District	Sub-District	Name of Road	Length (km)	RRMP	Population Along Road	Population per Km	Proposed for 2012 implementation	Status	Remarks
1	Dili	Aileu	Laulara	Ornai road	5.4	No	1,342	224	Yes	Detailed design on-going	
2		Aileu	Laulara	Aisirimau-Tohumeta	15	Yes	1,790	119	Yes	Reconnaissance survey done	
3	Maliana	Bobonaro	Maliana and Lolotoe	Tapo-Saburai	23	No	6,563	285	Yes	Detailed survey start 26.6	
4		Bobonaro	Balibo	Balibo-Cowa	20	Yes	1,570	79	Yes	Reconnaissance survey done	
5	Baucau	Lautem	Lospalos	Tchai-Puaremara	3.8	No	1,265	333	No	Reconnaissance survey done	
6		Lautem	Luro	Luro-Baricafa	7	No	3,583	512	No	Reconnaissance survey done	
7		Baucau	Baucau Vila	Boi-Le to Uatabo	5.2	Yes	1,922	370	Yes	Detailed design on-going	
8		Baucau	Baquia	Baquia-Suco Lari Sula	8	Yes	1,027	128	Yes	Detailed survey start 25.6	
9		Viqueque	Ossue	Uaibubo to Nahareca	11	Yes	3,767	342	No	Reconnaissance survey done	RRMP proposes 22.7 km
	Same	Reconnaissance surveys still need to be undertaken – will be done after arrival of ILO International Regional Engineer in July-August									
10	Oecusse	Oecusse	Nitibe	Bebo to Mahata	8.25	Yes	3,302	400	No	Reconnaissance survey done	RRMP only proposes 1.7 km
11		Oecusse	Pante Makasar	Neofnua to Makelab	11.3	Yes	690	61	No	Reconnaissance survey done	RRMP only proposes 5 km
12		Oecusse	Nitibe	Faot Ken Fua to Lamasi	8.6	No	440	51	No	Reconnaissance survey done	Including 2 km district road
13		Oecusse	Nitibe	Mahata to Kusi Malelat	9	No	1,380	153	Yes	Detailed survey start 2.7	
14		Oecusse	Pante Makasar	Oelulan-Leobatan	8	Yes	3,000	375	Yes	Detailed survey start 2.7	
15		Oecusse	Pante Makasar	Bimelo-Nuana	9	No	2,000	222	No	Reconnaissance survey done	
16		Oecusse	Passabe	Mercado Passabe-Aizaofuka	4	No	1,250	313	No	Reconnaissance survey done	
17		Oecusse	Passabe	Haem Nanu-Kruz	5	No	750	150	No	Reconnaissance survey done	
	TOTAL				162		35,641	220			
	TOTAL 2012*				94		18,594	198			