



TIM Works



Australian Government
AusAID



TIM Works - Investment Budget Execution Support for
Rural Infrastructure Development and Employment Generation

TIM-Works AusAID

Progress Report June 2010 – September 2010



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1. Introduction

The Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation (TIM Works), July 2008 to June 2011, is contributing to employment generation, poverty reduction, economic growth and peace building through the rehabilitation, construction and maintenance of rural infrastructure using labour-based (equipment supported) work methods. The Project reflects the Government of Timor-Leste (GoTL) Development Strategy and contributes to the achievement of the Millennium Development Goals (MDGs), by specifically addressing the following key challenges for poverty reduction in Timor-Leste:

- Providing sustainable and productive employment opportunities;
- Improving poor access to social services and markets;
- Private sector development support;
- Improving and maintaining rural infrastructure; and
- Human resource development and institutional strengthening.

Project Summary (TIM Works)

Title:	Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation
Code:	TIM/10/M50/AUS
Keywords:	Employment creation, labour-based infrastructure works, skills development, maintenance, rural infrastructure development, capacity building, contractor training, institutional development, technical education.
Timeframe¹:	July 2008 – June 2011 (AusAID 01 July 2010- 30 June 2011)
Budget²:	Total: USD 10,151,445 (AusAID: USD 1,887,583 ; Norway USD 2,334,615; EC USD 2,028,227; Ireland USD 1,311,712) (Norway, EC, Irish Aid and AusAID) Government of Timor Leste contribution: US\$ 2,392,800 (Labour Costs)
Implementing Agency:	International Labour Organization in partnership with the Secretary of State for Vocational Training and Employment and in collaboration with the Ministry of Infrastructures.
Support Sectors	Transport, rural development, employment, education & training, peace and reconciliation.

¹ Norway and EC contributions end in December 2010. Ireland has approved a no cost extension until 30 June 2011.

² For details, see Section 4 of the report

The TIM-Works Project is implemented by the National Directorate of Employment of the Secretariat of State for Vocational Training and Employment (SEFOPE), with the technical assistance of the ILO. SEFOPE is the key government counterpart institution with strong links to the Ministry of Infrastructure, Directorate of Roads, Bridges and Flood control and the Ministry of Economy and Development. The TIM-Works interventions demonstrate the labour-based approach to road rehabilitation and maintenance and build capacity to manage such programmes. In consultation with SEFOPE the following nine districts have been included for implementation of TIM-Works rehabilitation activities: Aileu, Baucau, Bobonaro, Dili, Ermera, Lautem, Liquica, Manatuto and Viqueque. The Project is undertaking routine maintenance in all districts on a rotational basis.

The Norwegian Ministry of Foreign Affairs signed an agreement with the ILO in July 2008 for the funding of their contribution to TIM-Works. EC signed an agreement with the ILO in December 2008 for their contribution to TIM-Works. Ireland signed an Agreement with the ILO in July 2009 for their contribution to TIM-Works, and AusAID joined the programme in June 2010. Additional contribution from the ILO Regular Budget Supplementary Account was added to the project budget. An MOU has been signed in 2010 with the Ministry of Agriculture and Fisheries and the Spanish Cooperation for implementation of road rehabilitation and maintenance activities in Liquica District within the TIM-Works framework. A time extension of the Project until the end of 2010 was officially agreed with Norway, Ireland and EC in line with recommendations from the Mid Term Review of the Project. The financial support from AusAID to TIM Works will contribute to the Project, allowing an increase of employment and infrastructure outputs, and an extension of the Project until 30th June 2011, and also allowing time and resources to prepare an up-scaled successor to the Project.

The launching Inception Workshop and 1st Steering committee Meeting (SCM) was held on 14 October 2008. The 2nd SCM held on 26 June 2009, the 3rd SCM held on 17 November 2009 and the 4th SCM held on 7 May 2010. The Mid-Term Review of TIM-Works was carried out 26 September to 10 October 2009.

One important policy decision by SEFOPE was to increase the daily wage rate for unskilled workers from \$2 per day to \$3 per day, starting from January 2010. This is in line with what is paid by the Ministry of Infrastructure and others and a move towards harmonizing government policy for this type of work.

This report covers the overall progress and specific progress of the TIM-Works AusAID funded activities during the period June 2010-September 2010.

Summary of key targets	Rehabilitation	Maint. cum	Beneficiaries	Workdays
Target total	300 ³	1,800	26,800	1,297,000
<i>Progress overall Sept 2010</i>	220	1,751 ⁴	25,480	950,728
Target AusAID	75	300	3,300	260,000
<i>Progress AusAID Sept 2010</i>	15	209	1,843	143,754

³ Original target reduced to 225 km. With AusAID contribution of 75 km the total target will be 300 km

⁴ Including 466 km currently being maintained

2. Progress against Outputs

The following section reports on progress made to date against each output as defined in the Project Log Frame in **Annex I**, (AusAID outputs in brackets) as well as the progress made during the reporting period. A works implementation plan for AusAID contribution can be found in **Annex II**.

(i) Roads Output: Roads rehabilitated (total 300⁵ km, AusAID 75 km) and maintained (total 1,800 km, AusAid 300 km) with labour-based technologies

Road maintenance

In principle, roads eligible for routine maintenance are all maintainable roads in the project area, as identified and recommended through the road condition survey carried out by the Project staff in close cooperation with the local authorities.

In terms of road maintenance, contracts were completed for 213 km of rural roads during the reporting period in eight districts of Ainaro, Baucau, Bobonaro, Covalima, Ermera, Lautem, Manufahi and Viqueque. A new batch of routine maintenance was launched by SEFOPE in September 2010 adding 466 km to the totals included in the maintenance programme for 2010.

The TIM-Works Project has at the end of the reporting period cumulatively completed routine and periodic maintenance on 1,285 km of roads, with 466 km currently under maintenance (AusAID 209 km). A list of ongoing maintenance works and completed road maintenance contracts for the period in **Annex III**.

In terms of routine maintenance the project has developed guidelines for implementation of works using community contractors as well as templates for contract agreements. The preferred approach to routine road maintenance thus includes the mobilization of community contractors carrying out maintenance works based on simplified contracts and paid on the basis of measured completed works. The contracts cover the costs of their labour inputs only, with tools and materials provided separately. Selection of contractors is done based on community consultation, the work quantities based



Road maintenance contractor in Bobobanro

⁵ Original target of 300 km has been reduced to 225 km following the Mid Term Review and subsequent Steering Committee Meeting. The contribution of AusAID will add 75 km to this revised target.

actual assessment and monthly outputs on established standard task rates. These community contractors are allocated work on road sections of 5 to 15 km located in the vicinity of their villages.

Routine road maintenance works is now mainly through contracts and 132 contracts have so far been completed. However, the current batch is managed in house by SEFOPE as Cash for Work activity covering all 13 Districts.

The average cost of a Community Labour Contract, for labour cost only, is with the increased wage rates now in the range of US\$ 3,500-5,300 per maintenance contract, normally covering 5-15 km with around 20 labourers employed. In maintenance the labour cost component in maintenance is between 80-90%. Therefore, the increase in wage level has a significant impact on the total cost. The average cost for maintenance is estimated at \$700 per km per year. As roads generally are in a very poor condition, the cost of maintenance is relatively high, as activities are often more than routine activities. However as roads are brought back into good condition, future maintenance costs are expected to go down. Road maintenance is largely funded out of government contribution to the Project.

Road rehabilitation

The majority of roads for inclusion in the rehabilitation programme were identified at the beginning of the Project. These were identified through consultation with local authorities. Additional roads have however been identified during the reporting period.

Detailed assessment and preparation of project proposals and bidding documents have been done for 7 roads or 58 km included in the AusAID component, out of which 14 km will be implemented through contracts. Another 17 km have been identified and will be assessed in detail in 2011 (see table below). In terms of road rehabilitation six project sites included in the AusAID component were ongoing working on a total of 38 km with a completion rate of 15 km at the end of September. Contracts for 14 km have been prepared and these are expected to start in November, as well as work on 6 km through force account in Laclo. The remaining 17 km will start in 2011.



Road rehabilitation in Baucau



2 cell box culvert in Liquica

Table indicating AusAID contribution to TIM Works

District	Sub-district	Suko	Road name	Km	Status	Remarks
Target				75		
Aileu	Aileu Vila	Fatubosa	Hali Okos-Erhetu	4	100%	Total 8km
Baucau	Vemassee	Cai Cua	Binagari-Cai Cua	6	20%	
Baucau	Vemassee	Vemassee	Binagari-Vemassee	4	0%	Plan 2011
Baucau	Gariwai	Gariwai	District road	4	0%	Plan 2011
Bobonaro	Atabae	Rairobo	Rairobo-Alima Naru	13	1%	
Ermera	Letefoho	Estado	Estado-Raimehae	5	60%	
Ermera	Letefoho	Letefoho	Letefoho	4	0%	Plan 2011
Lautem	Iliomar	Iliomar	Arara-Ira Darate	5	20%	Total 8km
Lautem	Lospalos	Leuro	Leuro-Sorulu	3	0%	Plan 2011
Liquica	Liquica	Hatuquesi	Nunuhau-Hatuquesi	5	100%	Total 8km
Liquica	Bazartete	Leorema	Leorema	2	0%	Plan 2011
Manatuto	Laclo	Laco Mesak	Hatukuna-Laco-Mesak	6	0%	Force acc start Nov
Manatuto	Laclo	Bedquira	Bedquira-Laclo	14	0%	Contracts Nov
TOTAL				75	15	Km Completed

The completion rate for the TIM Works AusAID component at the end of September is 15 km, contributing to the TIM Works total of 220 km completed. Overall, work is ongoing at 14 different project locations with various rates of completion, compare **Annex IV**.

The average cost for the completed roads for the force account operations is 20,500 per km. The cost varies widely much depending on the terrain, with roads in mountainous terrain being more expensive than roads rehabilitated in flat or rolling terrain. Higher cost is attributed to more structures and more labour input per km in hilly and mountainous terrain.

The labour output has been improved, following the incentive of increase in wage levels, reinforced socialisation process and strict monitoring and enforcement of achieving the daily targets. In general workers are now working around six hours per day and complete reasonable levels of work. This improvement is to a significant degree offsetting the increased labour cost.

The table below is cost analysis of completed projects (force account)

District	Sub-district	Road Name	Km	Total cost	Cost per km	Labour		Equipment		Materials		Worker days
						Cost	%	Cost	%	Cost	%	
Aileu	Remexio	Fatumasi-Maumeta	6	110,259	18,377	57,549	52%	36,350	33%	16,360	15%	25,952
Aileu	Laulara	Madabeno-Lesimori	2	49,030	24,515	17,432	36%	20,180	41%	11,418	23%	6,802
Baucau	Baucau	Gariwai-Watuva	4	75,800	18,950	29,128	38%	35,500	47%	11,172	15%	12,451
Baucau	Vemassee	Wailakama-Ustico	7	122,533	17,505	59,073	48%	41,200	34%	22,260	18%	24,824
Baucau	Venilale	Caicoli-Liabala	7	140,883	20,126	73,814	52%	50,982	36%	23,468	17%	30,153
Dili	Cristo Rei	Kulau-Tangkae	7	186,186	26,598	70,596	38%	82,035	44%	33,555	18%	29,806
Lautem	Lautem	Dasidara-Liquidiga	11	181,293	16,481	95,358	53%	58,325	32%	27,610	15%	36,862
Liquica	Bazartete	Fatumasi-Maometa	11	193,304	17,573	108,123	56%	51,630	27%	33,551	17%	43,572
Manatuto	Laclubar	Sananain	2	40,079	20,040	14,832	37%	17,000	42%	8,247	21%	6,911
Viqueque	Ossu	Weeulaek-Loihonu	5.2	129,063	24,820	54,753	42%	38,005	29%	36,305	28%	18,848
Total/Average			62	1,228,430	20,499	580,658	45%	431,207	37%	223,946	19%	236,181

The information in the table above shows that on average, the cost per km is \$20,500 per km, the labour component 45%, the equipment 37% and the materials cost 19%. However, the average cost of the new batch of contracts prepared for Laclo is higher at \$23,400 per km.

It should be noted that because of higher costs than originally designed, including the increase in wage levels, and also due to reduced funding levels, the original target of 300 km has been reduced to 225 km following the Mid Term Review and subsequent Steering Committee Meeting. The contribution of AusAID will add 75 km to this revised target.

(ii) Employment Generation Output: 1,297,000 worker days (AusAID 260,000) generated providing short term employment to 26,800 beneficiaries (AusAID 3,300), at least 30% being women

As each project is approved, SEFOPE District Technical Teams initiate the registration process. This is done in close consultation with the local authorities and local leaders to ensure target beneficiaries are reached and to ensure participation in the project. Workers on the project register on the specially developed registration forms which capture personal data, education and work history. Presence is recorded on a daily basis, and workers are only paid for days actually worked on the project.

Task work is the norm in all rehabilitation projects and introduced also for maintenance activities. Task rates for various activities are based on previous experience from Timor-Leste and elsewhere. Tasks are measured and set out by the site supervisors. Tasks are monitored during the Project and adjusted if necessary so that they are fair. Workers normally complete one task a day, which equals one days pay. Following the increase in wage rates, the project has reviewed the tasks and generally improved the adherence to the productivity targets.

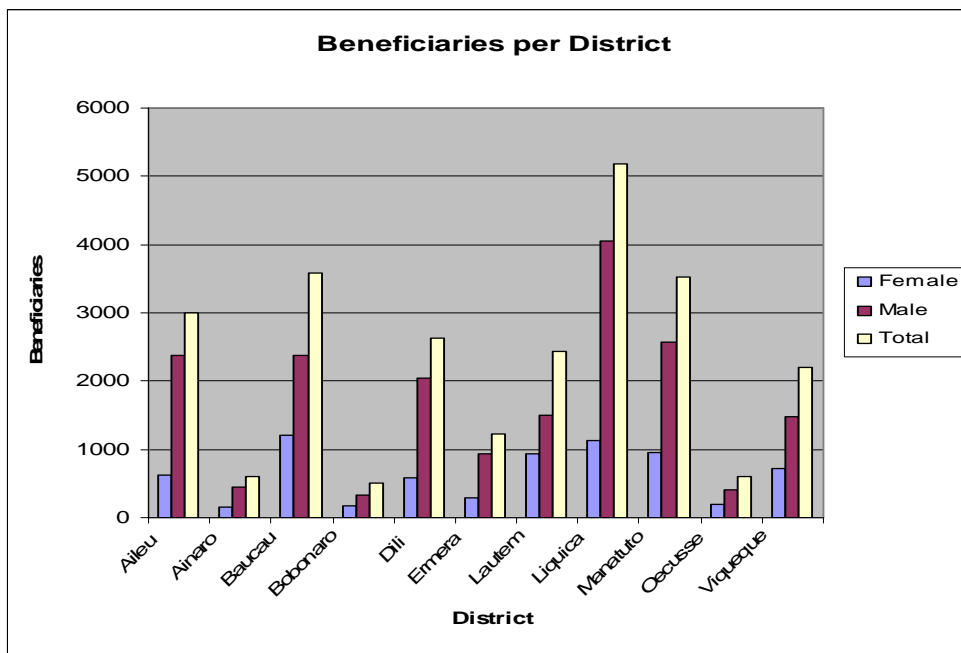
Contract documents for maintenance and rehabilitation works include clauses relating to labour management. Project staff and contractors have received information with regards to some of the key aspects of labour management on construction projects. With regards to contractors, the Project monitors closely that wages are paid in full and on time and that workers are not being exploited by setting unreasonable tasks.

At the end of the reporting period the following employment data has been recorded:

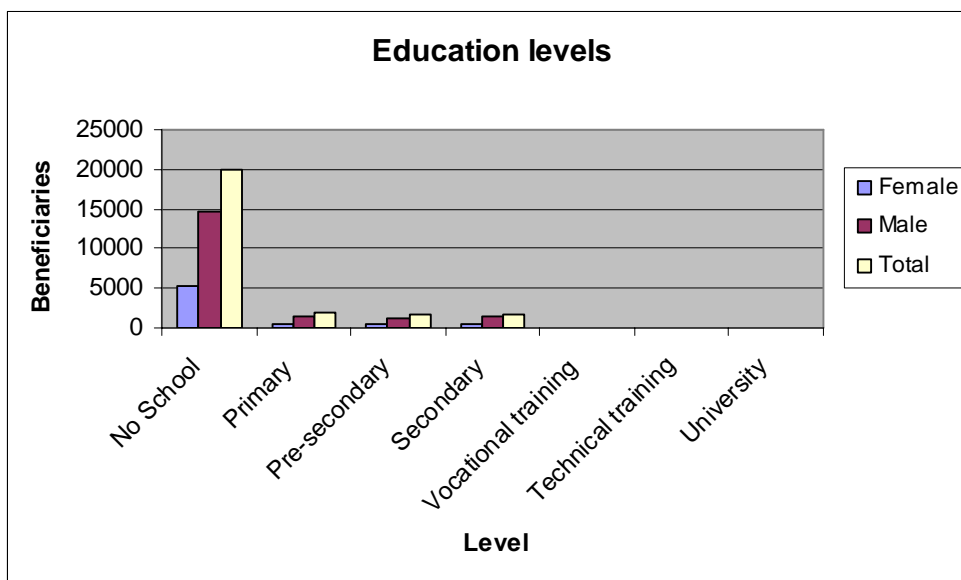
	<i>Worker days AusAID</i>	<i>Worker days TOTAL cum</i>	<i>Beneficiaries AusAID</i>	<i>Beneficiaries TOTAL cum</i>
Project Target	<i>260,000</i>	<i>1,297,000</i>	<i>3,300</i>	<i>26,800</i>
Men	<i>103,503</i>	<i>684,524</i>	<i>1,327</i>	<i>18,624</i>
Women	<i>40,251</i>	<i>266,204</i>	<i>516</i>	<i>6,856</i>
(Youth 15-29)	<i>(71,877)</i>	<i>(475,364)</i>	<i>(922)</i>	<i>(12,586)</i>
Total	<i>143,754</i>	<i>950,728</i>	<i>1,843</i>	<i>25,480</i>

Meetings continue to be organized for each sub-project with local authorities and community leaders to inform of the approach and the target group, ie young people (above 15 and not in

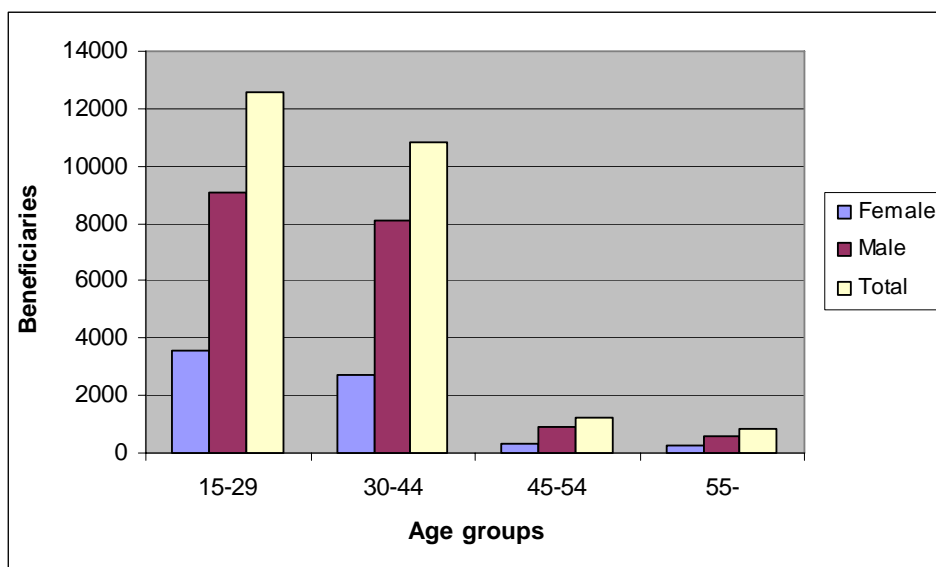
school), and with at least 30% women participating. Community leaders have been requested to help identify young women and men to be recruited for the works and are assisted by the SEFOPE District Technical Teams in the recruitment process. Equal opportunity is given to men and women to participate and target of one individual per household to distribute the income throughout the community.



The chart above shows the distribution of beneficiaries per district. It should also be noted that the number of beneficiaries depend on the rotation frequency, which may vary from project to project.



Most beneficiaries fall in the no school category, 78%, indicating that the project is reaching its intended target group.



Overall, the Project is achieving 28% women and 50% youth (15-29) participation

(iii) Capacity Building Output: Capacity building for infrastructure in the private and public sectors (30 engineers, 20 rehabilitation contractors and 100 community contractors)

The Project is to the extent possible using and adapting existing training material. Training material is tailored to suit the local context and as much as possible made available in Tetun for the training. A number of documents for capacity building have been prepared by the Project including;

- Technical Manual for Labour-based Road Rehabilitation
- Guide for Routine Maintenance
- Curricula and Training Material road rehabilitation
- Draft Training modules for gender awareness
- Draft Training modules for HIV/Aids awareness

In terms of capacity building for projects Staff, an effective structure for management of the labour-based work activities is in place within Short Term Employment Department (STEC) of SEFOPE. As of now, the Central Tem comprises the Coordinator, the Procurement Officer, the Finance Officer, two Operations Officers and two Monitoring Officers. The District Teams comprise 18 Engineers, 16 Field Officers, 8 Maintenance Supervisors, 8 Operations Officers. The STEC staff is supported by the ILO Project Coordinator and three International Engineers, as well as ILO Administration and Finance for procurement of materials and services. All Field Staff has participated in formal technical training for management of labour-based works activities, to strengthen their operational capacities and to improve planning and reporting on site. Improvements in planning, record keeping and quality of works is evident on most sites. All staff has participated in gender awareness and socialisation training.

In terms of training for routine maintenance, training has been provided for effective routine maintenance management procedures, implementation, and preparation of annual workplans and budgets. All Maintenance Supervisors can now manage their work with minimal supervision. 132 contracts have so far been let for routine maintenance. Each contractor is trained on the job to manage the contract. This training comprise of training in basic routine maintenance activities, labour management, setting out of tasks and measurement of quantities.

In terms of training for rural road rehabilitation works, the Project has trained 20 local companies. The selection of these companies is based on a set of predefined criteria including previous experience, staffing and other resources, financial turnover, geographical spread and must be a Timorese Registered company. Each company has to enrol three supervisors, one engineer and the company Director for the training, which is about two months in the classroom setting including technical aspects as well as contracts management and if successful including a trial contract.

The main objective of the training is to provide the knowledge of labour-based technology for rural road rehabilitation to the contractors' personnel in works implementation, supervision, management and quality control by imparting theoretical and field practical training with due consideration to the quality improvement aspect. The Project has developed contracting procedures, which have been tested, reviewed and revised following the tender process for the first batch of trained contractors. These contracting procedures are specific to ILO's rules and regulations but have been adapted for the local context in Timor Leste. The training materials have been reviewed since the first batch and amended. The training of the second batch (11 companies) was carried out from February to April 2010, whilst the first batch completed their trial contracts in June 2010.

An additional module in business management was offered to all the trained contractors. This took place in two batches of 10 days each from 13 September to 7 October. The training was delivered by IADE (Institute for Business Development) and based on the training package developed Start and Improve Your Business, developed by ILO and adapted to the Timorese context.

The contractors who had successfully completed the first trial contracts were invited to compete for five contracts, which were let during the reporting period. In addition, three trial contracts were let for the second batch of trainees. The Project has also been preparing tender documents for the remaining 7 contractors from the 2nd batch and carried out the bidding process with them. They are expected to start the actual works in November 2010.

Discussions have been continued with various training providers and the UNTL for institutionalising labour based training. However, the most significant progress has been with SENAI Vocational Training Centre for the institutionalising of the training for labour-based contractors for road rehabilitation. Seven students from faculty of civil engineering have been attached to the Project from the 2nd quarter of 2010 to carry out their practical training on labour based construction sites, and three students from the faculty of economy were engaged during two weeks in April to assist with post project impact studies.

(iv) Policy and Procedures Output: Policies and regulations adopted and implemented for further scaling up LB methods

A Technical Manual appropriate for rural road rehabilitation works in Timor Leste has been developed and is used in TIM-Works and regularly reviewed as the work progresses. A Guideline for routine road maintenance with a focus on rural unpaved roads in Timor Leste has also been developed. This guideline includes technical aspects of routine maintenance, including task rates and measurements as well as contracting procedures for engaging local community contractors.

The Project has developed comprehensive bidding documents and contracting procedures, which were piloted through the first round of Trial contracts for trained contractors. These documents are based on an existing format used by the ILO in Indonesia. The bidding documents have been reviewed and revised following the first round of tenders. The bidding procedures are specific to ILO procedures and financial regulations, and as the bidding process more and more is managed by SEFOPE there is a need to ensure that procedures can be adapted to government procedures. Contracts procedures have been discussed with Public works, but continued work is needed in this regard.

In terms of routine road maintenance the Project continues to organise routine road maintenance works through the mobilisation of community-based contractors. These “contractors” are allocated works on road sections of 5 to 15 km located in the vicinity of their villages. The contracts cover the costs of their labour inputs only, with tools and materials provided separately by the Project. The system of organising the workers into groups also entails that remuneration will be based entirely on outputs performed, as the contract will include a Bill of Quantities. Payments will then be calculated on the basis of the quantities performed and the established task rates for the given activities. The Project has prepared guidelines and procedures for the selection of the community contractors and any targeting of particular groups (youth, women etc.), as well as the contract forms to be used. Following successful testing, the approach is now used for all routine maintenance works carried out by the Project throughout the country, and in principle managed by SEFOPE counterpart staff.

TIM-Works and SEFOPE participate actively in the policy discussions taking place with regards to Rural Roads Policy being drafted by the Ministry of Infrastructure as well as the framework for rural development being drafted by the Ministry of Economic Development. TIM-Works has actively been promoting and sharing the procedures and other development work carried out under Project.

Procedures, technical manuals and best practices for the Labour-based approach developed so far under TIM-Works are shared with partners and are feeding into policy and strategy discussions. ILO and SEFOPE have actively participated in the Timor-Leste Working Group for rural roads policies, standards and procedures, and made a comprehensive presentation, sharing experiences and materials developed through the TIM-Works Project.

In terms of awareness raising and visibility, the Project is conducting meetings with all local authorities and communities in advance of each maintenance and rehabilitation project to

inform about the purpose and objectives of the Project. All TIM Works Sign Boards and stickers have been revised and now feature AusAID logo along with the other donors.

A number of project briefs have been made in preparation for high level visits, and the project has enjoyed both print and broad cast media coverage. TIM-Works and SEFOPE made a comprehensive presentation of the Project activities in the Timor-Leste Technical Working Group on Rural Roads. The Project facilitated participation by SEFOPE and Public Works in South South learning forum on 'Making Public Works Work' in Arusha, Tanzania in June 2010.

Site visits with government officials and development partners also play an important role in mainstreaming labour-based technology. The following field visits were noted during the period:

- Visit to contractor site in Toci Tolu with Regional Engineer Public Works, Dili Region 6 June
- Visit to Libalao and Fahilebo road works with EC delegation 7 July
- Visit to road maintenance with ILO delegation in Maliana 8 July
- Visit rural road and box culvert construction with EC in Liquica 22 July
- Visit rural road project in Maubara with Portuguese Corporation 3 August
- Visit rural road project in Hatuquesi with AusAID 6 August
- Visit rural road project in Hatuquesi with AusAID delegation from Canberra 13 August
- Visit rural road project in Libalao with UN Forum and Japanese students 9 September 2010
- Visit rural road projects in Guguleo and Fahilebo, Liquica with RDPL and Spanish Delegation 10 September
- Visit rural road project in Bucumera with Journalist 14 September
- Visit rural road project in Fatubosa, Aileu with Journalist 20 September
- Visit roads in Bucumera and Loes with Spanish Cooperation 24 September



AusAID delegation visiting road in Liquica

3. Challenges

The TIM-Works Project defined very ambitious targets over a relatively short duration and tight budget. This is indeed challenging and whilst the aim is to achieve to the extent possible the set targets, it is important to highlight the challenges below.

Budgetary challenges

The actual average cost from 10 completed rehabilitation projects implemented through force account is \$20,500 per km, significantly above initial design cost, with wide variations from project to project. The main reason for the increased cost is more structures and more labour input. The indication from issued rehabilitation contracts is that the cost will be even higher, taking profit margins into consideration.

The revised wage level has a more significant impact on the maintenance works since as much as 80-90% of the maintenance cost is wage costs. The planned average for 2010 is around \$700 per km and year for routine maintenance, noting that in many instances the maintenance backlog requires more than routine input. It is still expected that the average cost per km will go down as roads are brought back into good condition.

In order to meet implementation targets, the Project is carrying out works at many locations at the same time. However, this is stretching available resources, in particular the compaction equipment.

SEFOPE allocation for TIM Works 2010 will run out towards the end of October and the 2011 government budget is expected to be available from early March 2011. This has an impact on the project as SEFOPE is expected to contribute the wage component to the Project. Whereas work with ongoing and new contracts will continue as planned, there will be significantly reduced levels of force account operations until government contribution for 2011 to come on stream.

Poor weather conditions

The wet season was unusually wet even for Timor-Leste standards. In many locations, people have not experienced this much rain since 2001. This has had a serious impact on all infrastructure in Timor-Leste, with many national and district roads being cut off. Moreover, the rains have continued throughout the year with heavy showers in July and August and with particularly difficult conditions in the eastern part of the country. This has had a serious impact on the Project, with many down days, in some cases complete stoppage of works for months, and also a lot of extra repair works.



Existing culvert washed out

There have been large landslides along the projects which have been removed where possible. In one location, an existing bridge collapsed and will have to be replaced by the Project.

Roller capacity

The Project is renting 4-6 rollers in addition to the 10 rollers procured by the Project. This is the absolute minimum for smooth implementation of the works. However, the Project has experienced several break downs, both with own and rented equipment, with long down time seriously affecting implementation. The Project has made various attempts in sourcing additional rollers on the market.



Retired roller

Implementation Capacity

SEFOPE has in the reporting period been tasked with the planning for demolition of old and dilapidated government buildings in an effort to optimise employment opportunities in this exercise. This has however proven to be a huge undertaking with many buildings to be destroyed in each district. SEFOPE conducted comprehensive consultations in each of the 13 districts to discuss this work and to agree on the buildings to be included in the programme. Most of SEFOPE technical staff, ie the national engineers and supervisors have been involved in preparing assessment and bill of quantities for the works during the reporting period. Whilst this is a recognition of the capacity within SEFOPE built through the TIM Works, this has had an impact on the road works as capacity been stretched to the limit.

4. Project budget and expenditures October 2010

Description	Planned project budget at the time of preparation of contribution agreements	Agreement amount		(Uncertified) expenditures/ commitments October 2010
		Contracts currency	Current Budget USD ⁶	
	USD			USD
AusAID ⁷	2,016,218	AUD 2,250,000	1,887,583	697,610
European Commission	2,322,307	Euro 1,561,295	2,028,227	2,007,164
NOR	2,499,452	NOK 12,650,000	2,334,615	2,327,900
IRL	1,090,111	Euro 875,000 Euro 100,000 ⁸	1,311,712	1,232,420
Subtotal donor contribution	7,928,088		7,562,137	6,265,094
GoTL (labour cost)	2,392,800	USD 2,392,800	2,392,800	1,863,500
Subtotal donor & GoTL contribution	10,320,888		9,954,937	8,128,594
ILO Regular Budget Supplementary Account ⁹	196,508	USD 196,508	196,508	196,508
OVERALL TOTAL	10,517,936		10,151,445	8,325,102

⁶ Indicative USD value of the project as the final USD value is contingent on currency exchange rates and will be determined when ILO has received full contribution amount from the donor.

⁷ Budget planned in contribution agreement, May 2010

⁸ Increased contribution of Euro as of December 15, 2009

⁹ Additional to originally planned budget

Annex I

Logical Framework

Annex I Project Logical Framework

Outputs	Description	Verifiable Indicators	Means of verification	Assumption
Beneficiaries: Government staff (engineers, technicians, and supervisors in Ministry of Infrastructure); contractors; local communities in project districts; training and academic institutions; and women and men workers in project districts				
Project Title: Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation (TIM Works)			Project duration: Original - 18 months (October 2008 – March 2010) Revised: - 33 months (October 2008 – June 2011) Norway contribution: July 2008 – December 2010 European contribution: January 2009 – December 2010 Ireland contribution: July 2009-June 2011 Australia contribution June 2010-June 2011 ILO Regular Budget Supplementation Account – October 2008 – December 2009 GOTL 2008 – 2011	
Project goal: To contribute to economic development and poverty reduction by spurring growth in the infrastructure sector				
Immediate Objective: Livelihood improvement and social stability in rural communities through rural development and employment generation	<ol style="list-style-type: none">1. Total km of road networks restored/created2. Number of workdays generated and amount of cash injected into local communities3. Labour-based methods integrated into national Workfare programmes		Project final report Government annual budget for 2011	Government policies and priorities with regards to the Workfare Programmes remain unchanged – likely National and provincial security conditions are stable – unlikely

Annex I Project Logical Framework

Outputs			
Outputs	Targets/Verifiable indicators	Achievements	Remarks
Output 1: Roads rehabilitation and maintenance with labour-based technologies	300 km (75 km) rehabilitated/constructed, (original target of 300 km reduced to 225 km)	Completed: 300 km (AusAID 75 km) in 9 districts of Aileu, Ainaro, Baucau, Bobonaro, Ermera, Dili, Lautem, Liquica, Manatuto and Viqueque identified for inclusion in the project 43 projects or 283 km roads, received completed engineering assessment 220 km; roads completed (AusAID 15 km) On-going: 14 project sites or 114 km (AusAID 29 km) under rehabilitation, several roads near completion, in Aileu, Ainaro, Baucau, Bobonaro, Dili, Ermera, Lautem, Liquica, Manatuto and Viqueque	Actual costs from completed roads higher than estimated in project design due to large number of structures and labour input. Efforts are made to increase productivity.
	1,800 km of routine and periodic road maintenance. (300 km)	Completed: 1,285 km of routine and periodic maintenance completed and 132 Contracts issued until June 2010. Ongoing 466 km of routine maintenance currently ongoing (AusAID 209 km) Planned: 157 km (AusAID 157) to be identified and completed before June 2011.	Substantive periodic maintenance is required due to poor road conditions. This increased the cost of maintenance significantly. Increased wage levels have significant impact on the maintenance costs. However, costs are expected to come down as roads are brought back to good condition.

Annex I Project Logical Framework

Output 2: Employment generation	1,297,000 (260,000) workdays generated providing short-term employment to 26,800 (3,300) beneficiaries, at least 30% being women	<p>Workerdays: 74% of project target, 950,728 - (AusAID worker days 143,754)</p> <p>Workers/Beneficiaries: 95% of project target, 25,480 28% women, 50% youth (AusAID: 1,843)</p>	The increased wage levels will lead to government contribution running out in October. Project will utilise project funds to avoid complete stoppage of works. Government budget for 2011 is expected to become available in February/March
Output 3: Capacity building for infrastructure providers in the private and public sectors	A. 30 engineers and technicians trained in LB approaches; 75 contractors and 100 community contractors trained in LB approaches	<p>50 staff engaged at the Central and District technical team. They have all received formal training on labour-based technology, gender and socialisation aspects. The receive continuous on the job training</p> <p>35 companies registered to participation in the training programme and 20 were pre-qualified.</p> <p>20 companies participated in labour-based rehabilitation training. 9 companies currently carrying out trial contracts</p> <p>132 community contractors trained on the job in LB approaches</p> <p>2,445 formal training days, which includes awareness training for communities</p>	
	B. Number of academic and training institutions participating in project activities	<p>Academic institutions engaged in the Wage Rate Assessment for the Construction Sector. Students and lecturers from academic institutions will be invited to project sites. Seven students carrying out their attachments on road rehabilitation sites. Students from faculty of economics engaged in impact assessment.</p> <p>Meeting have been held with UNTL, DIT and Tibar Training Centre to brief them about the project and explore future participation of the institutions. Advanced discussions with SENAI Training Centre for future contractor development programme</p>	

Annex I Project Logical Framework

	C. Government annual budget for rehabilitation and maintenance includes employment targets.	To be reported by June 2011	
Output 4: Policies and regulations adopted and implemented for further scaling up LB methods.	Policies and regulations in support of scaling up the LB methods adopted by the Ministry of Infrastructure and integrated into the Standards Of Practices in the Workfare Programmes	<p>A technical manual for rural road rehabilitation has been prepared and shared with key stakeholders</p> <p>A technical guideline for routine maintenance has been prepared and shared with key stakeholders</p> <p>Contract procedures for routine maintenance and road rehabilitation have been developed and tested. Contracting procedures discussed with MOI procurement.</p> <p>A number of project briefs have been prepared and field visits organized for bilateral donors and policy makers.</p> <p>Inputs provided to development partners such as the World Bank for development of the national workfare programme. Inputs have also been provided to EC for project formulation for their rural development support to Timor-Leste and AusAID looking at providing further support to the roads sector.</p> <p>ILO and SEFOPE are participation in the National Priorities 1 Working Group and providing inputs to the monitoring matrix.</p> <p>ILO and SEFOPE are participating in the drafting of a rural roads policy, which includes references to labour-based work methods</p> <p>ILO and SEFOPE have provided inputs to the Rural Development Framework drafted by Ministry of Economic Development, which includes references to labour-based work methods.</p> <p>ILO and SEFOPE have actively participated in the Technical Working group for rural roads including making presentations about the TIM Works and the labour-based approach.</p>	

Annex II

Project Implementation Plan AusAID, works

Project Implementation Plan AusAID, Works

District	Sub-district	Suko	Road name	Km	2010							2011					
Road Rehabilitation Target AusAID				75	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Aileu	Aileu Vila	Fatubosa	Hali Okos-Erhetu	4													
Baucau	Vemasse	Cai Cua	Binagari-Cai Cua	6													
Baucau	Vemasse	Vemasse	Binagari-Vemasse	4													
Baucau	Gariwai	Gariwai	District road	4													
Bobonaro	Atabae	Rairobo	Rairobo-Alima Naru	13													
Ermera	Letefoho	Estado	Estado-Raimehae	5													
Ermera	Letefoho	Letefoho	Letefoho	4													
Lautem	Iliomar	Iliomar	Arara-Ira Darate	5													
Lautem	Lospalos	Leuro	Leuro-Sorulu	3													
Liquica	Liquica	Hatuquesi	Nunuhau-Hatuquesi	5													
Liquica	Bazartete	Leorema	Leorema	2													
Manatuto	Laclo	Laclo	Bedquira-Laclo	20													
Road Maintenance Target AusAID				300	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
All	All	All	Annex III	209													
Aileu	Remexio	Maumeta	TBA	10													
Aileu	Laulara	Madabeno	TBA	2													
Aileu	Aileu Vila	Fatubosa	TBA	8													
Baucau	Baucau	Gariwai	TBA	10													
Baucau	Vemasse	Ustico	TBA	7													
Baucau	Venilale	Venilale	TBA	7													
Dili	Crsito Rei	Kulau	TBA	7													
Dili	Vera Cruz	Dare	TBA	8													
Dili	Metinaro	Duyung	TBA	10													
Dili	Hera	Camea	TBA	3													
Dili	Dom Alexio	Toci Tolu	TBA	3													
Lautem	Lautem	Ilalai	TBA	11													
Lautem	Lospalos	Muapitine	TBA	9													
Liquica	Basartete	Metagou	TBA	11													
Liquica	Maubara	Vaviquinia	TBA	8													
Liquica	Bazartete	Hatuquesi	TBA	8													
Liquica	Bazartete	Fahilebo	TBA	15													
Manatuto	Laclubar	Funar	TBA	15													
Viqueque	Ossu	Loihonu	TBA	5													

Annex III

**Completed and ongoing
maintenance during the
reporting period**

Completed maintenance projects during the reporting period

District	Sub District	Suco	Km
Baucau	Vemasse	Ustico	7
	Venilale	Uai Lara	6
	Venilale	Caicoli	7
Viquequ	Ossu	Ossurua	6
	Viqueque	Bibileo	7
	Viqueque	Uma Uain Craic	6
Lautem	Lautem	Laivai	11
Ermera	Railaco	Lihu	7
	Railaco	Matata	8
	Letefoho	Asi	9
	Ermera	Lequise	10
Covalima	Suai	Beco	8
	Suai	Debos	7
	Jumalai	Fatuleto	7
	Jumalai	Rai-mea	4
	Mancatar	Bele Kasak	4
	Mancatar	Ogues	10
Bobonaro	Balibo	Lehito	6
	Lolotoe	Leber	6
	Balibo	Leolima	10
	Maliana	Ritabu	3
	lolotoe	Lebos	4
	Bobonaro	Ai-Assa	7
Ainaro	Maubisse	Maubisse Vila	7
	Maubisse	Edi	8
	Maubisse	Fatubesi	7
	Hatu Bulico	Mau Chiga	7
Manufahi	Fatuberliu	Klakuk	9
	Same	Betano	7
	Alas	Umaberloik	8
Total			213

Ongoing maintenance project (September-December 2010)

District	Sub District	Suco	Km
Ainaro	Hatu - Udo	Leolima (AusAID)	15
	Hatu - Udo	Foho Ailico	12
	Hatubuilico	Nunomoge	15
Baucau	Baucau Vila	Bahu (AusAID)	12
	Baucau Vila	Ualili, Uaimanuboe	10
	Baguia	Alaua Kraik	15
Bobonaro	Bobonaro	Bobonaro (AusAID)	12
	Bobonaro	Sibuni	12
	Bobonaro	Karabau, Kotabot	10
Covalima	Fohorem	Fohorem (AusAID)	12
	Fohorem	Dato Rua	10
Ermera	Ermera	Poetete + Humboe (AusAID)	14
	Ermera	Talimoro	12
Vique-que	Viqueque	Luca (AusAID)	13
	Lacluta	Ahic, Dilor, Laline	8
Manufahi	Same	Letefoho + Rotuto	10
	Same	Daisua + Babulu	9
Lautem	Asd Lautem	Ililaivai, Eukisi, Raomoko, Com, Maina I (AusAID)	52
	Tutuala	Tutuala, Mehara	44
	Luro	Afabubu, Cotamutu, Luro	17
Liquica	Bazartete	Mota-Ulun - Fatumasi, Fahilebo AusAID)	15
	Bazartete	Leorema - Asmanu	13
Dili	Dom Aleixo	Comoro (AusAID)	28
	Nain Feto	Lahane Oriental	32
Manatuto	Laclo	Uma Kaduak (AusAID)	11
	Laleia	Lifau, Haturlalan	15
Aileu	Aileu Vila	Seloi Kraik, Aisirimau, Lausi	13
	Aileu Vila	Liurai (AusAID)	25
Total			466
<i>AusAID total</i>			<i>209</i>

Annex IV

Completed, ongoing and planned rehabilitation works

TIM Works completed, ongoing and planned road rehabilitation

District	Sub-district	Suko	Road name	Km	Status	Remarks
Target				300		
Aileu	Remexio	Maumeta	Fahisoi-Mameta	6	100%	
Aileu	Laulara	Madabeno	Madabeno-Lesimori	2	100%	
Aileu	Remexio	Fatuk Bloco	Maumeta-Fatuk Bloco	4	100%	
Aileu	Aileu Vila	Fatubosa	Hali Okos-Erhetu	8	90%	AusAID 4km
Ainaro	Hatu-Builico	Mau Chiga	Hatukero-Mau Chiga	7	100%	
Baucau	Baucau	Gariwai	Gariwai-Watuva	4	100%	
Baucau	Vemasse	Ustico	Wailacam-Ustico	7	100%	
Baucau	Venilale	Bado Hoo	Caicoli-Liabala	7	100%	
Baucau	Laga	Soba	Dailaru-Boleha	9	80%	
Baucau	Baucau	Gariwai	Gariwai-Powerstation	2	75%	
Baucau	Vemasse	Cai Cua	Binagari-Cai Cua	6	20%	AusAID
Baucau	Vemasse	Vemasse	Binagari-Vemasse	4	0%	AusAID 2011
Baucau	Gariwai	Gariwai	District road	4	0%	AusAID 2011
Bobonaro	Balibo	Leohito	Vill-Mohac	6	100%	
Bobonaro	Lolotoe	Leber	Buci-Lebertas	6	100%	
Bobonaro	Atabae	Rairobo	Rairobo-Alima Naru	13	1%	AusAID
Ermera	Letefoho	Estado	Estado-Raimehae	8	60%	AusAID 5km
Ermera	Railaco	Lihu	Lihu	7	100%	
Ermera	Letefoho	Letefoho	Letefoho	4	0%	AusAID 2011
Dili	Cristo Rei	Becora	Kualaletek-Tangkae	7	100%	
Dili	Cristo Rei	Camea	Darlau-Fatu Ahi	7	100%	
Dili	Vera Cruz	Dare	Dare-Ielaus	8	90%	
Dili	Metinaro	Duyung	Benunuk-Bedquira	6	100%	Contracts
Dili	Metinaro	Duyung	Sahan-Bashae	3	100%	Contracts
Dili	Cristo Rei	Camea	Ailelum-Manumata	2.3	100%	Contracts
Dili	Dom Alexio	Comoro	Toci Tolu-Masin Lidum	2.2	100%	Contracts
Lautem	Lautem	Ilalai	Dasidara-Liquidiga	11	100%	
Lautem	Lospalos	Muapatine	Muapatine-Malahara	9	100%	
Lautem	Iliomar	Iliomar	Arara-Ira Darate	8	15%	AusAID 5km
Lautem	Lospalos	Leuro	Leuro-Sorulu	3	0%	AusAID/Contr/2011
Liquica	Bazartete	Metagou	Fatulasi-Maometa	11	100%	
Liquica	Maubara	Vaviquinia	Maubara-Lautatabi	9	95%	
Liquica	Liquica	Hatuquesi	Nunuhau-Hatuquesi	8	95%	AusAID 5km
Liquica	Bazartete	Fahilebo	Libalao-Fahilebo	6.3	100%	Contracts
Liquica	Bazartete	Ulmera	Ulmera-Quasit	2	100%	
Liquica	Bazartete	Fahilebo	Bucumera-Fahilebo	6.4	60%	Contracts
Liquica	Maubara	Guguleo	Loes-Faulara irrigation	15.4	80%	Contracts
Liquica	Bazartete	Leorema	Leorema	2	0%	AusAID/Contr/2011
Manatuto	Laclubar	Sananain	National road-Sananain	2	100%	
Manatuto	Laclubar	Manelima	Laclubar-Manelima	8	100%	
Manatuto	Laclubar	Funar	Laclubar-Funar	9	100%	
Manatuto	Soibada	Leohat	Leohat-Manlala	2	100%	Contracts
Manatuto	Laclo	Laco Mesak	Hatukuna-Laco Mesak	6	0%	AusAID Nov
Manatuto	Laclo	Bedquira	Bedquira-Laclo	14	0%	AusAID/Contr Nov
Viqueque	Ossu	Loihonu	Loihonu-Weeulaek	5.2	100%	
Viqueque	Ossu	Ossu de Cima	Ossu de Cima-Builale	9	80%	
Viqueque	Viqueque	Kraras	Sukaer oan-Kraras	4	40%	
TOTAL			Compl. and ongoing	300	220.5	Km Completed