

Roads for Development (R4D) Program

Final Mid-Term Review (MTR) Report

November 2014

Aid Activity Summary

Aid Activity Name	Roads for Development Program (R4D)		
Aid Works initiative number	INK211		
Commencement Date	1 March 2012	Proposed Completion Date	29 February 2016
Purpose of Report	The purpose of this Mid-Term Review (MTR) is to assess the continued relevance of R4D interventions and the progress made towards achieving its planned objectives. It provides an opportunity to make modifications to ensure the achievement of these objectives within the lifetime of the project. In addition the MTR provide an opportunity to ascertain the interventions are still coherent and useful to key stakeholders particularly the GoTL, coherent to DFAT and ILO's strategic objectives and to assess whether the interventions are being conducted in an efficient manner as per DFAT and ILO standards and the agreed project document. The MTR will also provide recommendation regarding the remaining 18-months of the program and some general considerations around a possible second phase of R4D.		
Total Australian Commitment	AUD30,000,000		
Total Other	Government of Timor-Leste (GoTL) – USD20,600,000		
Delivery Organisation	International Labour Organization (ILO)		
Country	Timor-Leste		
Primary Sector	Infrastructure		

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Acronyms

ADB	Asian Development Bank
ADN	Agencia de Desenvolvimento Nacional
AUD	Australian Dollar
CCI	Chamber of Commerce and Industry
CDO	Community Development Officer
CTA	Chief Technical Adviser
DFAT	Department of Foreign Affairs and Trade
DNMA	Environment Directorate, Secretariat of State for Environment
DRBFC	Directorate of Roads, Bridges and Flood Control
ERA	Enhancing Rural Access (EU project)
FIDIC	Federation Internationale des Ingénieurs Conseils
GIS	Geographical Information System
GoA	Government of Australia
GoTL	Government of Timor-Leste
GPS	Global Positioning System
IGE	Institute of Equipment Management
ILO	International Labour Organization
IMG	Independent Monitoring Group
ICT	Information, Communication & Technology
PDD	Programa de Desenvolvimento Descentralizado (Decentralised Development Program)
PSC	Project Steering Committee
M&E	Monitoring and Evaluation
MIS	Management Information Systems
MoF	Ministry of Finance
MoPW	Ministry of Public Works
MoU	Memorandum of Understanding
PDID	Integrated District Development Planning
PMU	Project Management Unit
RDP	Rural Development Programme (EU project)
RE	Regional Engineer
R4D	Roads for Development Program
RRMP	Rural Roads Master Plan
RRWG	Rural Roads Working Group
SDP	Strategic Development Plan
SEFPOPE	Secretaria de Estado ba Formasaun Profisional no Empregu (Secretary of State for Vocational Training and Employment)
Suco	Town or Village
TA	Technical Assistance
TIM-Works	Investment Budget Execution Support for Rural Infrastructure Development and Employment Generation
ToR	Terms of Reference
VO	Variation Order

Executive Summary

Background

The Roads for Development (R4D) program is a highly visible initiative aimed at supporting development and management of the rural roads network in Timor-Leste. R4D combines physical works including rehabilitation and maintenance along with capacity building initiatives at both the institutional and individual contractor level. Underpinning the physical works and capacity building approach is broad institutional support to the Ministry of Public Works (MoPW) through the preparation of a Rural Roads Master Plan (RRMP) and budgetary and planning support. The program involves contributions from both the Government of Timor-Leste (GoTL) through MoPW and Government of Australia (GoA) through the Department of Foreign Affairs and Trade (DFAT). The International Labour Organisation (ILO), as the delivery organisation, provides technical and managerial expertise to implement the program. The development objective of R4D is that women and men in rural Timor-Leste are deriving social and economic benefits from improved road access. The immediate objective is that GoTL is more effectively planning, budgeting and managing rural road works using labour-based methods, as appropriate. R4D combines both direct investments in rural road works and capacity building and institutional support to MoPW to plan, budget and manage rural road works.

Mid-Term Review Process

The purpose of the Mid-Term Review (MTR) process is to assess the continued relevance of R4D interventions and the progress made towards achieving its planned objectives. It provides an opportunity to make modifications to ensure the achievement of these objectives within the lifetime of the project. In addition the midterm evaluation provide an opportunity to ascertain the interventions are still coherent and useful to key stakeholders particularly the GoTL, coherent to DFAT and ILO's strategic objectives and to assess whether the interventions are being conducted in an efficient manner as per DFAT and ILO standards and the agreed project document. The MTR will also provide recommendation regarding the possible second phase of R4D.

Key Findings from the MTR

Physical Works

R4D has made sound progress in the past two years despite the impact of a number of challenging external influences. The MTR believe R4D has pitched and utilised its resources and support at an appropriate level. This is evidenced by progress in physical works and the application of higher quality standards in areas of difficult terrain. R4D has accepted previous Independent Monitoring Group (IMG) recommendations on surface treatments and this has resulted in a higher quality rural road network. Moving forward, R4D need to consider in greater detail aspects of connectivity to ensure road investments are maximised and connect to the broader network. Underpinning physical works is the need for consistent design standards. Design standards are critical to ensure consistency is maintained while also applying approaches that are appropriate to the weather and terrain conditions that exist throughout Timor-Leste.

R4D is encouraged to continue working through District Administrations (DA's) to support rural road prioritisation. Additional emphasis on connectivity and integration of the network as a whole is encouraged.

Recommendation 1: R4D to develop and operationalise standardised drawings, technical specifications and designs across all Districts.

Recommendation 2: R4D to prepare a rural road design manual to guide rehabilitation and maintenance of rural roads at the District level to strengthen quality assurance and control.

Recommendation 3: R4D in partnership with MoPW to strengthen the future planning and prioritisation of rural roads based on the findings and conclusions of the Rural Roads Master Plan (RRMP), placing a high priority on connectivity issues.

Capacity Development

Capacity development occurs at both the institutional and individual/contractor levels. Unfortunately, capacity development at the institutional level has not reached initial expectations, with lower than expected availability of direct counterparts within MoPW. Some progress has been made through the establishment of working units with regards to GIS, procurement and contracting and IT. R4D has had greater success in supporting capacity development through pre-bid and technical contractor training. Under the GoTL's proposed deconcentration, there is an opportunity to realign the capacity building focus towards support MoPW at the district level and possibly to expand support to cover other agencies with technical engineers and supervisors also working at the district level. Capacity creation at the central level should however continue.

Institutional Support

Recommendation 4: Focus capacity building at central level around the implementation of RRMP. In supporting deconcentration, R4D to increase capacity development support and training for MoPW district level officials (and where appropriate technical engineers and supervisors from other programs/agencies).

The RRMP is a strategically important document not only for MoPW but also for R4D and the future engagement of DFAT and GoTL. The RRMP provides the strategic and operational framework in which rural roads will be identified, prioritised and supported. It is critical in terms of supporting MoPW gain credibility and assumes leadership in the rural roads sector. The RRMP process has been outsourced to an external service provider, with work commencing in March 2014. Unfortunately the RRMP has not gained the institutional traction necessary, despite commencing important survey work. Immediate action is required to generate adequate GoTL buy-in and support and to ensure all stakeholders are fully aware of the process and engaged. Collective engagement an agreement with R4D is essential.

Recommendation 5: Immediate priority is placed on resolving implementation and management issues with the RRMP external service provider.

Recommendation 6: RRMP institutional engagement is prioritised and completed by the end of November 2014.

Recommendation 7: R4D to support MoPW with the establishment and operationalisation of a sector wide rural roads steering committee to facilitate future work and commitments in accordance with the RRMP.

Monitoring and Evaluation and Crosscutting Themes

The R4D M&E plan and results framework continues to evolve. A series of M&E activities have commenced implementation namely baseline studies and a contractor tracer study. An advocacy video has also been prepared aimed at communicating results and generating interest and buy-in from key GoTL stakeholders. Plans are scheduled for another round of contractor tracer study data collection which should continue to reveal to impact of the program in promoting labour based approaches and the general capacity of contractors derived through participation in respective training events. There is an emerging opportunity for the R4D M&E team to coordinate through DFAT a shared evaluation process aimed at demonstrating broader impacts in rural development. The MTR see value in R4D commencing dialogue with DFAT and other respective programs around possible synergies for involvement. The road investments to date have had a relatively strong impact upon the engagement of women; particularly those involved in labour-based work. Some contractors are headed by women. Focus group discussions with communities reveal women engaging through formal paid work and deriving benefit through improved access to markets and health care facilities.

Recommendation 8: R4D M&E to initiate engagement (and possibly lead) the technical sharing of information, approach and methodology with other DFAT programs in the rural development sector with the intention of aligning M&E approaches and in the longer-term to developing a joint impact study for rural development investments.

Sustainability

The R4D program is subject to high sustainability risks given the limited capacity in MoPW and other parts of the government, limited resourcing for maintenance purposes and a budgeting process that does not include a separate budget line for maintenance but allocates a large lump sum identified for emergency works. These factors together constitute high risk that the future maintenance for rural roads, inter alia, will not be accorded the necessary attention and priority required to adequately sustain rural road infrastructure.

Recommendation 9: DFAT and R4D advocate with GoTL to recognise the priority for road maintenance and create a specific line item in the MoPW annual budget to provide financial resources for routine and periodic maintenance of district roads.

Labour Based Approaches

Labour engagement and involvement has been less than foreseen in the program design. Labour involvement currently stands at approximately 18% (20-25% for gravel and 10-20% for sealed roads).

A major contributing factor to the reduced use of labour has been the decision to use more concrete for road surfacing treatments. The use of equipment is more cost effective in these circumstances. Another factor was the ability of contractors to effectively engage, manage and support labour-based approaches. Some contractors preferred the use of equipment to the use of labour. Labour-based approaches remain relevant to the program, particularly for on-going maintenance of roads. Approximately 350,000 labour days have been generated (30% for women) and approximately US\$2 million has been distributed as wages.

Recommendation 10 R4D should keep more consistent records on the use of labour and verify the amount of labour used for various civil works operations.

Recommendation 11: R4D should analyse and compare non-labour costs with similar countries on the region and examine possibilities to reduce these costs.

Quality of Training Materials

R4D has established a positive and proactive relationship for contractor training. R4D continues to provide pre-bid training at the district level through Regional Engineers (RE's). To date 160 contractors have been trained representing approximately 5,000 training days for 430 individual trainees. Contractors are generally satisfied with the quality of training and associated training materials. Training materials used for contractors are considered appropriate by the MTR. The combination of theoretical teaching and practical demonstration is appropriate and tailored to the needs of contractors. The MTR note that training materials at the district level are not standardised and there is a need to rectify this situation.

Recommendation 12: R4D collaboration with ERA (for the training of both contractors and MoPW staff in rural road rehabilitation, maintenance and supervision including refresher and pre-bid training) should be maintained and avenues explored for a ERA to assume greater involvement in training.

Recommendation 13: A Mentoring system for successful contractors should be introduced on new contracts providing business and management support.

Contractor Performance

Contractor performance is certainly constrained by the inability to access formal sources of credit. Most contractors rely on timely payments to make progress. This situation will become more challenging as contracts shift to GoTL funding in 2015. Contractor performance overall has been quite good with only 3 contracts out of 65 being terminated due to poor performance. R4D is utilising competitive bidding for all procurement and the GoTL is looking to adopt standard R4D practice and remove single source contracts and look to apply competitive bidding to all contracts. The MoPW is also implementing a contractor classification system, which supports the general shift towards more competitive bidding. The contractor tracer study has also provided valuable information in supporting decisions to focus on contractors of an appropriate size and capitalisation.

Recommendation 14: R4D should continue with competitive bidding for the works planned for 2015 and should work for preference being provided to LBT certified contractors.

GoTL ownership and engagement

Ownership and engagement by GoTL has been considerably less than originally planned. The GoTL's original contribution to R4D was US\$20.8 million. To date only US\$4.1million has been received leaving a shortfall of US\$16.7 million. The MTR team is of the opinion that GoTL has not maximised its opportunity to improve rural road management by making full use of the intended project resources. The considerable shortfall in resources allocated to the project from GoTL sources suggests that there has been less ownership in the program than originally intended.

The substantial shortfall in GoTL allocations to the civil works component of the program will directly reduce the physical achievement of the project in terms of kilometres of rehabilitation. A total of US\$4million has been allocated for 2015, however this has not been formally confirmed and may be subject to change. The flexible and changing institutional structure has also had a reduced impact on the quantity of capacity development and in particular the absence of staff in several key positions has limited the effectiveness of the training. For projects designed to provide sector outputs and provide capacity development the GoTL needs to provide the necessary resources to deliver the intended project components. If such an approach is not followed then it is to be expected that external assistance will not provide the overall benefits intended by the project design.

Recommendation 15: DFAT, together with MoPW and R4D, take a more active approach and engage the Timorese political leadership on rural roads to confirm future engagement and contributions.

Recommendation 16: DFAT to discuss with GoTL on the ownership and engagement issues in general and ascertain GoTL views on a possible Phase II to the program.

Deconcentration

The GoTL is embarking on a process of deconcentration commencing in early 2015. At the present time the details concerning this major change in the institutional setting within government are not clear and a detailed program of the changes and the timing of their roll-out have yet to be discussed and agreed. Combined with the deconcentration process is the establishment of a Special Administrative Region (SAR) in Ocusse. The SAR will have its own internal self government covering economic powers, immigration, social development among others which is intended for it to operate independently as a special economic zone that attracts foreign investment to leverage economic activity and opportunities. The proposed changes to the institutional arrangements can be expected to have significant impact upon the R4D program in the longer term. However, given the uncertainties over the future of the program it is necessary to examine the possible implications under two scenarios: the first concerns the remainder of the current phase of the program that continues until February 2016, and the second where a subsequent Phase II is approved.

Ideally the R4D program should continue to operate in those districts where it is already having an impact, as this will enhance the development activities that have already been attained. However, since the thrust of GoTL policy is shifting towards deconcentration it would be prudent to also support this change by including the 3 pilot districts in the R4D program. Since R4D is already located in the Aileu district office it would imply adding the 2 new districts of Ermera and Liquica to Phase II of R4D as a minimum with the overall scope determined by the level of resource commitment by the partnership and other partners such as the EU.

Recommendation 17: Due to the limited budget available for rehabilitation in 2015 civil works should be limited to 4 districts for rehabilitation and 10 districts for maintenance.

Recommendation 18: The focus of capacity development should be shifted to the district level. If the pilot deconcentration program is to be initiated in 2015 then the 2 additional pilot districts (Ermera and Liquica) should be included in the program.

Recommendation 19: Further assistance to Oecusse should be limited to maintenance until GoTL decides on the institutional and management issues of the newly created SAR. From 2016 onwards, no additional rehabilitation work is to be supported.

R4D Team

Based on evidence from previous IMG reports, the MTR believe the current complement of team members is appropriate to support program implementation. There is no requirement to change the current structure. There is a need to realign existing positions within the team to maximise synergies and to ensure work responsibilities are aligned to possible shifts in technical direction and focus.

Recommendation 20: R4D to consider current internal staffing arrangements to ensure sufficient staff remains to complete existing works. In delivering works it is expected that key specialist positions spent at least 50% of time in the field supporting RE's and MoPW district staff. All engineering staff should be contracted up until September 2015 with a final decision on extensions to be made in April 2015 following the next IMG review.

Remaining 18-months

The remaining period for R4D only covers one more construction period in 2015. The MTR recommend that R4D focus attention on the following core work areas: institutionalisation of the RRMP, development of technical standards, refinement of the procurement plan, update of capacity development and training plan to focus on districts and on-going works within M&E.

Recommendation 21: DFAT confirm funding arrangements for a possible R4D Phase II by March 2015.

Recommendation 22: DFAT to schedule IMG visit as a review process and a scoping/design/exit strategy mission, preferably in April 2015.

Possible Phase II

The MTR also considered some long-term options for consideration by R4D and DFAT around a possible extension. Prior to any consideration of a second phase, DFAT need to meet with GoTL to assess overall ownership and engagement in the current program. Moving forward R4D should continue to focus on the rehabilitation and maintenance works with greater attention given to maintenance of existing roads. Effort should be made to devolve training and capacity development to support district officers. R4D/DFAT should also consider pooling resources and agreements with other donors such as the EU to provide greater leverage and influence within existing GoTL systems, particularly in aligning relationships within broader rural development approaches.

1 Introduction and Context

1.1 Background to the R4D Program

The Roads for Development Program (R4D) is a highly visible initiative aimed at supporting development and management of rural roads in Timor-Leste. The program combines physical works including rehabilitation and maintenance along with capacity building initiatives at both the institutional and individual/contractor level. The program involves contributions from the Government of Timor-Leste (GoTL) through the Ministry of Public Works (MoPW) and Government of Australia (GoA) through the Department of Foreign Affairs and Trade (DFAT) with technical assistance provided by the International Labour Organization (ILO). The proposed donor contribution over four years from 2012 to 2016 totals \$50.6 million equivalent with GOA contributing AUD30million and GoTL USD20.6 million.

The development objective of R4D is that *women and men in rural Timor-Leste are deriving social and economic benefits from improved road access*. The immediate objective is that *GoTL is more effectively planning, budgeting and managing rural road works using labour-based methods, as appropriate*. R4D combines both direct investments in rural road works, capacity building and institutional support to MoPW to plan, budget and manage rural road works. R4D is expected to result in three defined outcomes:

- MOPW is effectively planning, budgeting and delivering rural road works using labour-based methods as appropriate.
- Local civil works contractors are more effectively implementing investments in rural road works using labour-based methods as appropriate.
- Rural road development adequately resourced and planning and implementation of investments effectively coordinated between concerned Government agencies and (donor) projects.

R4D reflects the joint development priorities of the GoTL and GoA to provide rural Timor-Leste with a functioning and appropriate road network. R4D provides direct implementation support and investments in rural road rehabilitation and maintenance and, where appropriate, applies labour-based approaches and technologies.

1.2 GoTL institutional and policy context towards rural roads

The GoTL is committed to the development and improvement of rural livelihoods and poverty reduction through strengthening the quantity and quality of infrastructure. The rural road network is an essential element in connecting Timor-Leste to a whole range of services and markets. The road network includes 1,426 km of national roads, 869 km of district roads, 716 km of urban roads and more than 3,000 km of rural roads¹, the large majority of them being unpaved

The GoTL has established targets for rural roads in the *Program of the Fifth Constitutional Government 2012-2017*, the *Timor-Leste Strategic Development Plan 2011-2030 (SDP)*, and the *Strategic Planning Agreement for Development* between the GoTL and DFAT.

¹ The total length of rural roads cannot be verified. 3,000 km is a much-quoted figure between GoTL and the general donor population. However a recent survey as part of the Rural Roads Masterplan has indicated a network upwards of 6,000km.

A central pillar of the SDP is the building and maintenance of core and productive infrastructure. The SDP also recognises the importance of an extensive network of quality and well-maintained rural roads to connect communities and provide access to valuable services (i.e. health and education) and markets. In supporting this ambitious target, the MoPW has developed a five-year Action Plan (2013-2017) to meet the requirements. This includes efforts to prioritise and cost road improvements and to identify areas for improvement in terms of capacity and employment creation.

The current institutional environment for roads and in particular rural roads is quite fragmented. The Directorate of Roads, Bridges and Flood Control (DRBFC) of the General Directorate for Public Works under the Secretary of State for Public Works has the mandate for the management of classified rural roads in Timor-Leste and is therefore the 'correct' institutional home for rural roads and an ideal partner for R4D. Other agencies involved in rural roads include SEPFOPE, PDID/MSA, IGE and PNDIS. The MTR team note that there is overlap in work on rural roads with a variety of approaches and differing standards.

Connectivity should remain a central theme of the overall approach, however there is limited evidence of coordinated and structured planning and prioritisation of the rural roads network. However it is noted that R4D's selection criteria has made progressive effort towards a more accountable and transparent selection process.

The MTR supports earlier IMG recommendations and guidance that MoPW is the central agency to address rural roads. However, MoPW needs to demonstrate capacity and willingness to lead (including sector donor coordination) before serious institutional capacity building efforts through R4D may be effective.

The Agencia de Desenvolvimento Nacional - National Development Agency (ADN) continues to be closely involved through its verification of all infrastructure works in Districts. ADN's involvement will become even more prominent as funding for road works shifts to funding support through GoTL budgets.

The project design also outlined an intention for a Project Steering Committee (PSC). To date this has not been formed, primarily as a result of consultations between R4D, DFAT and MoPW². Earlier recommendations suggested the Rural Roads Working Group (RRWG) should be strengthened and enhanced; however to date there is no evidence to suggest this group has progressed improved coordination and engagement. Consultations with MoPW indicate, they are very keen and willing to establish a formalised sector wide Rural Roads Steering Committee. This is a positive and proactive step and is encouraged as a means to generating greater engagement across the sector and support the implementation of the Rural Roads Master Plan (RRMP) once it is formalised and operational.

1.3 Relevance of the R4D Program

Rural roads are of critical importance to the economic development of Timor-Leste as a whole. Consultations with stakeholders reveal the importance of the rural road network in supporting broader national growth and economic development. R4D remains relevant as it supports both institutional reforms supported through capacity development and physical works. R4D maintains

² The MTR have noted this issue was discussed in previous IMG reports. The rationale was that MoPW expressed limited interest at the time and a decision was made to focus on strengthening and supporting the technical working group.

its relevance through direct support to the MoPW, however potential gains (and relevance) are diminished due to variable engagement and commitment to the necessary institutional reforms.

R4D needs to maintain its relevance through continued support to the MoPW to enact the necessary changes to support the rural roads network. The RRMP is a critical document that will assist MoPW with strategic priority setting and engagement with the sector. However, gains will be limited unless the GoTL commit adequate funding levels, particularly for ongoing and future maintenance works.

Continued relevance of the program is dependent upon the GoTL making the necessary financial and technical contributions to the program moving forward. The program products, technical advisory support and implementation of works have contributed significant capacity development to the MoPW. Acceptance, application and ultimate management of these rests with MoPW.

The decentralisation process will place significant pressures upon the Ministry which is already struggling to define clear roles and responsibilities. R4D is in a position to support MoPW with a staged and gradual deconcentration effort, focusing support in areas where R4D roads have been implemented. MoPW need to devote greater attention to supporting contractors by improving the payment process for contractors.

1.4 Purpose and role of the MTR

The primary purpose of the MTR is to assess the continued relevance of R4D interventions and the progress made towards achieving its planned objectives.

The MTR provided an opportunity to propose and recommend modifications to ensure the achievement of these objectives within the lifetime of the project. In addition the MTR provided an opportunity to ascertain the interventions are still coherent and useful to key stakeholders particularly the GoTL, coherent to DFAT and ILO's strategic objectives and to assess whether the interventions are being conducted in an efficient manner as per DFAT and ILO standards and the agreed project document. The MTR also provided some guidance and suggested recommendations regarding the possible second phase of R4D.

The MTR team acknowledged the changing policy environment within Australia with a greater focus and attention on Private Sector Development. While R4D was assessed in terms of its pre-defined M&E Framework, the MTR also considered R4D's contribution to supporting elements of economic growth and how investments are leveraging investment in infrastructure. The intent of this approach was to ensure R4D aligns with the new DFAT Aid Development Policy and Performance Framework Australian Aid: Promoting prosperity, reducing poverty and enhancing stability moving forward.

In light of this overarching policy framework, the MTR focused on the following five key evaluation questions:

- To what extent has the program made appropriate choices about the use of labour-based approaches?
- To what extent is the program contributing to the development of a viable contracting industry? What factors may limit the local industry?

- How appropriate are R4D's capacity building approaches with the Ministry of Public Works? To what extent are we making adequate progress toward achieving outcomes 1 and 3?
- How adequate is GoTL ownership? What constraints is GoTL facing in terms of budget and human resource allocations? What alternative strategies are recommended to improve progress?
- What are the implications of GoTL's emerging decentralization agenda for the rural roads sectors? How can R4D respond to these? Are there any other major changes in the context that require adjustments from the program?

A copy of the Terms of Reference for the MTR is included as Annex A.

1.5 MTR Approach, Methodology and Key Limitations

The MTR applied a predominant qualitative methodology in collecting, analysing and presenting data and information. The MTR completed an initial desk review, undertook a series of interviews and group discussions with key stakeholders and developed a series of case studies to cover relevant sections of the road. The methodology was consistent with earlier IMG missions. The methodology (semi-structured interviews, group discussions (including focus groups) and case studies) was selected so as to minimise inconvenience and to maximise time and resources to address the purpose of the MTR. Key limitations of the methodology included: time and resources to complete a fully detailed methodology; the combination of ILO and DFAT questions made prioritisation difficult in some circumstances; availability of key stakeholders was also challenging as some key meetings were cancelled. A copy of the evaluation plan is included as Attachment 2.

1.6 Linkage with IMG Review Process and Recommendations




The MTR, acknowledge the involvement of the IMG team and contribution that team has made to support implementation and provide ongoing technical support and advice to implementation and management. Two IMG missions have been completed in March 2013 and December 2013. A series of recommendations have been made through the IMG process to refine operational and strategic approach. A summary of key recommendations and respective actions and progress is provided in the table below.

IMG Recommendations	Adopted (Yes/No)	Current Status
IMG Mission #1 March 2013		
R4D is realigned and reprioritised to focus on producing the agreed quantity of roads to a high quality.	Yes	The focus on roads achieved desired results with significant progress on road contracting and implementation.
The CTA role should be adjusted to focus on providing high-level technical support and advice to strengthen institutional arrangements as well as coordination efforts in MoPW.	Yes	Initial steps taken to align the CTA role; however, on-going work responsibilities have not enabled full integration.
The current capacity building approach should be adjusted to focus on institutional strengthening at MoPW and private contractor training at the district level (proposed capacity support to MoPW staff in Dili is to be postponed and reconsidered in mid-2014).	Yes	Capacity development approach adjusted and priority given to institutional strengthening and contractor training.
R4D to refine and redevelop the existing capacity	Yes	Capacity Development Plan adjusted in

IMG Recommendations	Adopted (Yes/No)	Current Status
development plan in light of the recommended strategic change.		accordance with the revised approach.
R4D Geographical Information System (GIS) and Management Information Systems (MIS) specialists transferred to work within MoPW with direct counterparts (suggest a twelve-month trial and then assess).	Yes	Full integration has now been realised.
Immediate action taken to draft an appropriate M&E Plan to support the existing M&E framework including baseline data collection.	Yes	A revised M&E Plan is operational and baseline data is being collected.
M&E role reduced to three months and spare funds allocated to proposed additional road engineer position.	No	Recommendation not accepted as additional funds found to maintain both positions. A good outcome.
DFAT (then Australian Agency for International Development, AusAID) should leverage existing support (i.e. use existing advisers within ministries) to support R4D liaison and coordination with GoTL institutions.	No	R4D is aware of other technical assistance (TAs) within MoPW and its linkage with the overall proposed capacity development approach. Continued work and engagement is required to strengthen the overall approach.
Confirm immediately whether R4D prequalification of contractors is acceptable for contracts funded by GoTL. If not, urgently ascertain eligibility for GoTL contracts.	Yes	Contract template and procedures for MoPW-funded works including prequalification of contractors. See also below.
Doubling the current training, workshops and seminar budget allocation (to be reviewed after twelve months).	Yes	Training Workshops and Seminars proposed to be increased from USD168,800 to USD310,200
IMG Mission #2 December 2013		
R4D to provide greater input and technical advice to districts in the selection of roads.	Yes	Participation in district-level planning meetings. Roads prioritised according to connectivity.
Subject to consistent specifications regarding location and justification (e.g. whole life costing), greater use should be made of more robust appropriate surface treatments (e.g. plum concrete, penmac, Telford) in locations likely to be subject to high attrition.	Yes	Done. Life cycle costing analysis and standards for the use of robust surface treatments developed.
R4D prepare an analysis paper of the cost of raw materials for road works outlining the implications of availability and cost by district for submission to ADN and subsequent discussion with the Office of the Prime Minister.	Yes	Partially completed. Paper has been prepared but not yet discuss with ADN and Office of Prime Minister.
Rationalise specifications/standard details in use for R4D with a view to MoPW national standards for rural roads and consideration for inclusion in the RRMP.	Yes	Delayed. Drafter scheduled for completion in August 2014.
R4D to continue to provide guidance and support on streamlining procedures for payment of IPCs under MoPW contract format and support MoPW/ADN/MoF in expedition of payments.	Yes	On-going
Review pre-qualification procedures for complementarity with new MoPW contractor classification system.	Yes	The MoPW's classification system has been finalised and contractors have started to register..

IMG Recommendations	Adopted (Yes/No)	Current Status
R4D to complete a strategic overview and analysis of the capacity development program to date.	Yes	Analysis of R4D capacity development activities completed (including a contractor tracer study).
Prepare a comprehensive R4D capacity development plan for 2014.	On-going	Scheduled for completion in September 2014.
R4D to develop a strategy working paper and associated work plans for the likely engagement and integration of the envisaged an initial twenty-one (21) MoPW staff.	On-going	Scheduled for completion in September 2014.
R4D M&E Specialist to build in sex disaggregated data analysis into all baseline and future evaluation studies to assess the impact of R4D work on gender,	Yes	Completed.
RRWG is to be strengthened and supported to provide technical and strategic guidance to promote greater coordination and engagement across the rural roads sector.	Yes	Ongoing and may need to be revised with MoPW plan to establish a broader sector-wide working group.
R4D to review all program products and strategies and ensure they are relevant and appropriate to support MoPW and R4D. This is particularly important for the M&E Plan and Results Framework.	Yes	Done. M&E Plan and Results Framework reviewed and updated and training modules modified. Work on other on-going products/systems continues to be relevant.

Colour key

 Recommendation Accepted and Progressed	 Recommendation Partially accepted or slow progress	 Recommendation not accepted
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2 Key findings against primary evaluation questions

2.1 Achievement and quality of defined outputs/outcomes to date

The MTR conclude that sound progress has been realised for the R4D program as a whole. However, the MTR note from the last R4D six-monthly report that progress has slowed in some key areas, namely capacity development and financial contributions from GoTL. Lower than expected commitments, in terms of leadership, staff involvement and budget allocations have slowed progress and have raised concerns over the long-term sustainability of interventions to date. A summary of progress to date is provided below:

Key Outcome	Progress to Date
Outcome 1: MoPW is effectively planning, budgeting and delivering rural roads works using labour-based methods as appropriate	<ul style="list-style-type: none"> • Functional MoPW organisational structure developed. • 25 counterpart staff made available (out of possible 50) - 6 supervisors, 13 temporary MoPW staff, 2 GIS staff, 4 staff from corporate services. • R4D/MoPW budget prepared for 2015 rehabilitation and maintenance program. • MoPW contribution of US\$1.5 million for 2014 works (expected US\$14.5 million). • Surveying and design of 110km for rehabilitation and 373.5km for maintenance 2013-2014. • 77% of contracts released for 2014 works (US\$2.6 million).
Outcome 2: Local civil works contractors more effectively implement investments in rural road works, using labour-based and equipment supported methods as appropriate	<ul style="list-style-type: none"> • 75% of 2013 maintenance works - 2 or more compliant bids received per tender. • 93km of roads rehabilitated to date and 145km of roads maintained. • 92% progress in rehabilitation works and 77% for maintenance (delays due to rain). • A total of 355,980 labour days employed resulting in approximately US\$2million in wages.

Key Outcome	Progress to Date
Outcome 3: Rural road development adequately resourced and planning and implementation of investments effectively coordinated between concerned government agencies and donor projects	<ul style="list-style-type: none"> • Technical standards still in draft form and not consistently applied • RRWG established and meeting monthly. • SEFOPE, ADN and PDID continue to receive budget allocations for rural roads (despite reduced amounts for R4D). • Only US\$1.5million made available. Investment still fragmented. • Little coordination between agencies responsible for rural development

The following sections provide some commentary and analysis based on the findings of the MTR team following the review of key documents and completion of interviews and site visits during the recent in-country mission (7-27 September 2014).

2.1.1 Physical road works

R4D has completed 94% of all physical rehabilitation works and 82% of maintenance works for 2013 tendered contracts. The total value of works committed to date is US\$13,217,879 with total payments reaching US\$11,733,155 (89%). Table 1 provides a breakdown of progress across the entire R4D portfolio by district.

Financial contributions from GoTL are a concern, if the current 2015 budget allocation of US\$4m is realised, this will bring the total GoTL contribution to US\$8.1 million (US\$4.1 - 2013 and 2014 + current 2015 allocation), being only 44% of the agreed \$18.6m allocation for capital investment in the project design. Given this significant constraint R4D has made sound progress, however project outputs and outcomes will be compromised by this lack of GoTL funding. Table 1 presents summary of works progress to date.

District	Rehabilitation (DFAT funding) USD M						Maintenance (GoTL funding) USD M					
	Km*	Contract value	Completed works value	%	Value paid	%	Km*	Contract value	Completed works value	%	Payment made value	%
Aileu	12.4	0.900	0.702	78%	0.617	68%	28.6	0.553	0.499	90%	0.384	69%
Covalina	6.0	0.698	0.693	99%	0.617	88%	-	-	-	-	-	-
Bobonara	21.0	2.847	2.728	96%	2.495	88%	11.3	0.416	0.361	87%	0.322	77%
Oecusse	24.6	2.641	2.555	97%	2.433	92%	31.4	0.293	0.288	98%	0.230	78%
Baucau	13.2	1.348	1.333	99%	1.204	89%	28.0	0.569	0.471	83%	0.303	53%
Lautem	7.0	0.770	0.746	97%	0.596	77%	12.4	0.413	0.362	88%	0.203	49%
Manufahi	9.4	1.271	1.111	87%	0.917	72%	33.1	0.498	0.264	53%	0.182	36%
Total	93.6	10.475	9.868	94%	8.880	85%	144.8	2.742	2.245	82%	1.624	59%

Table 1: Summary of Progress in Rehabilitation and Maintenance Works - to June 2014

Progress of the physical works (Output 1.3) as reported in the six-monthly progress report (June 2014) was classified as unsatisfactory. While this is disappointing, there are significant constraints outside R4D's influence that contribute to this rating and overall slow progress of rehabilitation and maintenance activities. In the MTR's view, two binding constraints outside the projects influence, impact on progress: *the GoTL Budget process* and *GoTL payment delays*.

In regards to the GoTL Budget process, two key issues must be addressed, firstly the original 2014 budget commitment of US\$14.5m was not realised. Due to other emergency projects, the GoTL removed \$13 million of the R4D budget allocation and reallocated it for urban roads. Only US\$1.5m was made available to the project.

Secondly, the budget funds were not released until April 2014. Coupled with a close of accounts in November, this reduces the actual implementation year to approximately 8-months. This type of single year budget execution is acceptable for minor service delivery and material supply contracts, but is not suitable for road rehabilitation and maintenance contracts. The current single year budget process is not consistent with the requirements of most road rehabilitation and maintenance projects. In almost all instances the work required under R4D contracts extends beyond a financial year and budget execution within a single financial year is not practical. The primary impact is substantial delay in procurement and implementation of works. This situation is common in many DMCs and action needs to be taken to speed up procurement processes and increase the

transparency of the processes. In regards to contractor payment delays, the project reports that DFAT funded (and ILO controlled) R4D contract payments are timely (within 1-2 weeks), however payments through GoTL systems take between 3-5 months. This is clearly unacceptable particularly for small emerging contractors with limited cash reserves. Further advocacy work, preferably in cooperation with other development partners, is required with MoF to highlight the importance of the issue and the adverse impact upon the private sector.

The MTR team had the opportunity to review several road rehabilitation projects in various stages of completion from substantially completed projects to projects that are yet to commence. This gave the team a good overview of the roads selected for rehabilitation, the scale and type of activities being implemented and the quality of the final works. During the inspections the team met and spoke with many project stakeholders, including the local communities and other beneficiaries, contractors, labourers, construction supervisors and District Officials. In assessing the progress of the roads, the MTR are comfortable that road targets will be reached. Previous IMG missions have recommended changes to road quality and quantity that have been agreed with DFAT. Initially the PDD estimated: Rehabilitation works of 450km and maintenance works of 1850Km, requiring approximately US\$31m. At present, R4D is likely to achieve Rehabilitation works of $93.6+25=118.6\text{km}$ and maintenance $144.8+370=514.8\text{km}$ utilising approximately US\$20.5m. Rehabilitation projects were inspected in:

District	Road Sections
Bobonaro	Balibo to Cowa
Bobonaro	Maliana to Saburai
Covalima	Lepo to Lour
Manufahi	Lianai to Grotu
Manufahi	Same to Rotuto
Aileu	Laulara to Ornai
Baucau	Boile to Uatabo

Table 2: MTR site visits to R4D roads

The rehabilitation and maintenance works to date is of a good standard however evidence suggests that quality could have been further enhanced through greater attention to detail and application of consistent standards across all projects. The lack of consistent documented standards, which has been a recommendation of previous IMG missions, needs to be addressed. At present it appears that individual Regional Engineers (RE) are using different approaches with variable designs and construction details. For example each RE has a different approach to concrete pavement construction, verge treatments, expansion joint details, pavement texture and drainage treatments. While most of the details used are acceptable, the issue is not the difference in details, but that the R4D is relying on individuals' expertise and capability, not drawing on the experience of the ILO, or the senior engineers based in Dili. In addition the project should have a standard "R4D" approach that may eventually be adopted by MoPW as a standard design for Timor-Leste. Specific comments on individual project roads are included in the case studies in Attachment 3.

The roads selected for rehabilitation are in challenging terrain, more than anticipated in the project design. This has required extensive use of robust surface treatments such as concrete and penetration macadam rather than gravel. The use of these surface treatments was warranted from a technical and economic viewpoint based on whole-of-life cost analysis, however constructing higher

quality roads has led to an overall increase in the costs per kilometre and therefore a reduction in the length of road that will be rehabilitated by the project. The project design estimated a rehabilitation cost of \$50k/km; the average rehabilitation cost to date is approximately \$100k/km while it is \$150k/km for hard surfacing. This increased cost has reduced the kilometres of road to be rehabilitated with DFAT funding from 225km to 93km. This is a significant increase in cost and raises questions about why R4D seemed to take on more challenging roads than anticipated in the project design, i.e. roads that were typical of the previous TIM-Works project. The MTR believe that this increase in road quality and hence cost is due to the road selection process, i.e. district administrators wanting to have donors fund the more difficult roads and communities expectations to have a “permanent” road and concrete lined drains.

The current road selection/prioritisation process is conducted in accordance with R4D's selection criteria including consultation with local communities and district administrations. However with a focus on rural roads in isolation there is the potential to rehabilitate isolated section of roads that don't provide connectivity within the whole road network. MoPW would be better served taking a strategic focus and viewing the road network as a whole rather than specific sites based on local preferences. In future, the MTR believe that MoPW should utilise connectivity as a key selection priority. The development of a Rural Roads Master Plan (RRMP) should provide some strategic prioritised focus to support this result. Ultimately, planning and prioritisation should lead to the integration of the road network and the systems required to maintain it. Prioritisation along these lines also opens the door for greater business and investment planning along the entire road network.

MoPW is not yet fully functional and R4D is currently filling the role of a pseudo rural roads department within MoPW. This is not an ideal situation nor sustainable for the long-term. Since the MoPW does not carry out regular road projects or road maintenance under regular budget funds, the R4D cannot be fully integrated into MoPW. Where possible R4D interacts with the ministry (Corporate Services and DRBFC) and has already had a significant influence in institutional key areas (introducing competitive tendering and bid-evaluation procedures/templates; developing contract management system; establishment and operationalization of GIS unit in DRBFC; incorporating/influencing GoTL environmental licensing requirements; development of 5-year action plans for rural roads in MPW; assistance to Corporate Services to develop functional job descriptions. Since there are no regular government road investments, R4D tends to perform a role more akin to a Project Management Unit (PMU). Compounding the situation is MoPW not fully engaging and committing adequate and appropriate resources to support rural roads. Due to this lack of engagement at the central level future R4D MoPW technical support/capacity building should be redirected to focus on the district level so as to take advantage of counterparts that exist in regional offices and as a means to support the GoTL's deconcentration process.

Recommendation 1: R4D to develop and operationalise standardised drawings, technical specifications and designs across all Districts.

Recommendation 2: R4D to prepare a rural road design manual to guide rehabilitation and maintenance of rural roads at the District level to strengthen quality assurance and control.

Recommendation 3: R4D in partnership with MoPW to strengthen the future planning and prioritisation of rural roads based on the findings and conclusions of the Rural Roads Master Plan (RRMP), placing a high priority on connectivity issues.

2.1.2 Capacity Development

The R4D PDD foresaw a holistic approach to strengthening capacities in MoPW for establishing functional management and technical tools, supporting policy dialogue and by supporting development of a performance culture. It was foreseen that R4D technical assistance would work closely with direct counterpart staff. The reality has not matched expectations anticipated.

In order to plan for the changes in the institutional setting, a Capacity Development Plan was prepared in 2013 and revised and updated in early 2014. The plan has had limited traction to date given the absence of direct counterparts. Training has been limited to specific individuals and departments and realigned to support contractor training in the districts (previous IMG Recommendation).

The R4D capacity development plan includes a wide range of activities relating to: planning and programming; GIS system; prioritisation of rural roads; social safeguards; standards, procedures and templates for surveys; designs; cost estimates and supervision, tendering and contracting procedures and associated templates. The progress with regards to specific products such as plans, budgets, and procedures is mostly accomplished although there are some outstanding issues such as establishing road standards and a quality assurance system. Considerable progress has been realised in the establishment of a contract and procurement management system supported by a ministry wide information technology system.

Considerable effort has been placed on training and almost 4000 trainee days have been provided to MoPW staff, mainly at the district level where works are ongoing. Some training has been delivered to central ministry staff. The MoPW lacks a clear capacity development strategy and has limited scope to contribute to long-term capacity building. At the regional level, capacity development has centred on on-the-job training, which is positive. However with virtually no operational budget, capacity development is limited. Table 5 provides an outline of the number of people trained through R4D to date.

MoPW Supervisors and Engineers	2012	2013	2014	Total
Basic Technical Skills	0	8	0	8
Engineering Skills	119.5	1050.5	779	1949
Planning, budgeting & tendering	92	519	79	690
Labour -based	0	194.5	71	265.5
Total	211.5	1772	929	2912.5
Total Trainees	22	50	21	Trainees may be trained several times

Women trainees	2	5	2	
GIS and Mapping	0	724		724
Email/IT training	0	72	34	106
Grand Total MOPW				3742.5

Table 5: Summary of MoPW officials trained through R4D

MoPW have made some commitments in terms of providing counterparts but has not been able to deliver as promised. At the district level only around 50% of the promised counterpart supervisors are available and with regard to MoPW District Engineers (DEs) the situation remains uncertain.

Staff capacity within the MoPW is generally low. The inability to secure technical engineers and supervisors across districts, places an additional workload on the R4D RE's. More structured training of MoPW supervisors is required in light of the planned deconcentration of MoPW staff to the districts, involving around 130 staff of which likely 30-40 supervisors. The ILO managed ERA program has indicated interest in developing training modules for such supervisors.

The MTR note that the training material used for the training of MoPW staff at the district level is not consolidated and there is a need to standardise. With the planned deconcentration there will be a need for additional training, which could be expanded to include supervisors and engineers from other agencies involved in road works at district level, such as ADN, SEPFOPE, PNDS, PDID etc. ERA has started to consolidate and further develop the training materials however R4D should be involved. Short manuals and guidelines are required for the work of MoPW supervisors such as a template for a quality assurance plan, for laboratory work including testing of materials and work as well as for the clarifying the standards expected from road works.

In general, engagement with the core functions of MoPW (technical design and engineering) has remained limited. R4D has made sound progress in supporting preparation of MoPW annual plans and budgets and preparation of the five-year plan. These are key operational documents and have been well received. However larger buy-in is required, particularly around the institutional elements of the rural roads program. The MTR recognise that this is a long-term process however MoPW need to strategically consider the model of government it requires. The simple recruitment of additional staff does not address the strategic priorities required. The R4D capacity development plan and ultimate rollout has underperformed as a direct result of limited engagement and interest by MoPW.

The MTR encourage a shift away from on-going individual capacity building (outside the current focus in corporate services, IT and procurement and in the Roads Department: GIS) to focus attention in supporting the implementation of the RRMP once it is complete. Technical support and guidance is essential to operationalise this document and will require in-depth attention from R4D in the remaining 18-months of the program. Underpinning this approach is a renewed effort through the R4D RE's in collaboration with ERA (through Don Bosco) to support capacity development of MoPW district officials. The MTR believe that this is where priority support should be centred, given the broad and complex nature of work currently being completed and the envisaged strengthening of district offices to manage rural roads in the future.

Recommendation 4: Focus capacity building at central level around the implementation of RRMP. In supporting deconcentration, R4D to increase capacity development support and training for MoPW district level officials (and where appropriate technical engineers and supervisors from other programs/agencies).

2.1.3 Institutional Support

Underpinning the capacity development and physical works component for MoPW is R4D's support to institutional reform and change. A key output of this work is the development of the RRMP. The RRMP is strategically important for the MoPW moving forward as:

- It details the extent of the rural roads network and enables prioritisation based on location and connectivity between national, district and rural roads,
- It provides grounding for engagement with other stakeholders in the sector to align support.
- The RRMP provides a basis for the request for appropriate budgetary and technical staffing support to address immediate rehabilitation and maintenance needs.
- It provides an opportunity to prioritise linkages between activities, particularly PDID and PND, which will play a greater role under a deconcentrated government system.

The MTR support the process to outsource the scope of work to an external service provider (Cardno). However the MTR is aware that there have been some implementation issues with regards to the structuring of inputs, primarily for the institutional review process and engagement with stakeholders. This is a critical issue as limited buy-in from stakeholders, and ownership of the process by MoPW, will seriously devalue the RRMP and relegate it to a non-operational document.

The MTR believe the situation can be improved through collective consultation and engagement between R4D and the service provider. Immediate priority and action must be placed upon commencing the institutional review and strategic engagement with stakeholders. This needs to occur in October-November 2014 if the January 2015 deadline is to be reached.

The RRMP is also essential for the ongoing viability of R4D in its effort to engage with senior echelons of government (e.g. Office of the Prime Minister). The RRMP will underpin the work of R4D for the remainder of the program through until February 2016.

The MoPW has also indicated a willingness to establish a sector wide Rural Roads Steering Committee. This is a very positive and proactive step and coincides well with the development of the RRMP. R4D need to continue working with MoPW to promote this concept and utilise the institutional engagement work through the RRMP to facilitate the development of the group and seek buy-in from GoTL to participate and engage in such a committee.

Recommendation 5: Immediate priority is placed on resolving implementation and management issues with the RRMP external service provider.

Recommendation 6: RRMP institutional engagement is prioritised and completed by the end of November 2014.

Recommendation 7: R4D to support MoPW with the establishment and operationalisation of a sector wide rural roads steering committee to facilitate future work and commitments in accordance with the RRMP.

2.1.4 Monitoring and Evaluation

The R4D M&E plan and results framework continues to evolve. The last 12-months has witnessed an increase in monitoring and evaluation activity as the physical roads program continues to advance and contractors continue to remain engaged in program delivery. Baseline studies have been

completed for Suco's surrounding road investments and a contractor tracer study has provided valuable insights into the current functioning of the private sector with regards to road contracting and has influenced some strategic directions and decisions moving forward.

The preparation of an advocacy video is a solid strategy to generate additional buy-in from MoPW and other GoTL stakeholders. The MTR is aware that R4D is awaiting an invitation to the PMO to officially launch the video. This is an important product that raises the profile of R4D and provides a basis to support further engagement and interest,

At face value, the M&E approach is comprehensive. There is a potential risk given the available resources that R4D may have too many strategies and approaches (community snapshots, transport surveys, business surveys, workers surveys) to collect data given the remaining timeframe. However the MTR is of the view, that if combined into single studies, these approaches are appropriate and represent a good use of resources.

The MTR welcome the plan to conduct another data collection round for the contractor tracer study. This is an important study and continues the work commenced to date and will provide valuable insights into the performance of the sector and its willingness to engage, particularly as more payments will revert to GoTL systems.

Moving forward, the MTR see potential for the R4D M&E team to coordinate, through DFAT, engagement with other DFAT funded programs. Longer-term DFAT may wish to consider a broader rural development impact evaluation, however with limited time available, it is pertinent for M&E staff from respective programs to engage and share information.

Recommendation 8: R4D M&E to initiate engagement (and possibly lead) the technical sharing of information, approach and methodology with other DFAT programs in the rural development sector with the intention of aligning M&E approaches and in the longer-term to developing a joint impact study for rural development investments.

2.1.5 Sustainability

An important consideration for rural road programs in other countries in the Asia Pacific region has been their lack of sustainability. It is clear from the institutional setting in Timor-Leste that the R4D program is also **subject to high sustainability risks** given the limited capacity in MoPW and other parts of the government, limited attention to allocating resources for maintenance purposes and a budgeting process that does not include a separate budget line for maintenance but allocates a large lump sum identified for emergency works. These factors together constitute high risk that the future maintenance for rural roads, inter alia, will not be accorded the necessary attention and priority required to adequately sustain rural road infrastructure.

Construction of rural road infrastructure requires the **adoption of a maintenance regime** that is designed to preserve the investment in the roads, keep them in good condition and ensure that they continue to provide adequate transport services to users and beneficiaries resident in their hinterlands. At the present point in time it is clear that the existing institutional arrangements mentioned above do not provide the administrative, financial and technical structures required to sustain rural road infrastructure. Under the current R4D program progress is being made to develop

the design and technical abilities of staff, particularly those at the district level. However, it is noted that currently there are limited numbers of technical staff at the district level and that MoPW has advanced plans to add to the existing staff complement. This emphasis should continue for the remainder of the program to improve the skills at the local level for road maintenance operations. With the intended move to place greater responsibility at the district level for rural roads in the future the focus of the training and skills development needs to be concentrated at this level. This is important since the expected 130 staff that are currently under recruitment and expected to be operational by early 2015 will require significant training to gain sufficient experience and competency in the management of rural road assets. The new staff will not have significant experience and many are recent graduates in their individual disciplines. As a result they will require intensive training both in technical skills and on-the-job experience if they are expected to be able to manage rural road maintenance by February 2016. Indeed to expect the new staff to reach such a level of competence by this time is rather optimistic particularly given the progress of past and on-going training programs.

The **allocation of a maintenance budget** will be essential to undertake the continued maintenance of the roads rehabilitated under the program. Maintenance is an on-going regular activity and will therefore require an annual budget to undertake routine and periodic maintenance. The current practice of an annual allocation for emergency works should be split into both emergency works and maintenance components to ensure that funds for maintenance are available and used for this specific purpose. To avoid the potential diversion of the maintenance funding a separate allocation is essential and it should only be utilised for routine and periodic maintenance purposes. Where significant damage to roads is caused by adverse weather and other unforeseen calamities then use of the emergency funds is warranted. The maintenance allocation should NOT be utilized for emergency actions.

The **sustainability of rural roads also needs to be prioritised by MoPW**. In other countries where one organization similarly has responsibility for all public roads it is commonly encountered that the highest priority is given to national roads followed by district roads since these roads form the backbone of the network and carry the bulk of the passenger and freight movements. *For rural roads to be sustainable it is essential that they are accorded importance for maintenance and provided with sufficient budget and administrative support.* Thus to mitigate the risks associated with the sustainability of rural roads it will be essential for MoPW to deliver the resources required and provide the support to district level staff to maintain the rural road assets in line with good management and technical practices.

The result of inadequate maintenance fund allocations and support is clearly demonstrated in a recent analysis provided by R4D to the Minister, MoPW. This analysis indicated the adverse impact of limited funding and labour on the rural road network and is illustrated in Figure 1.

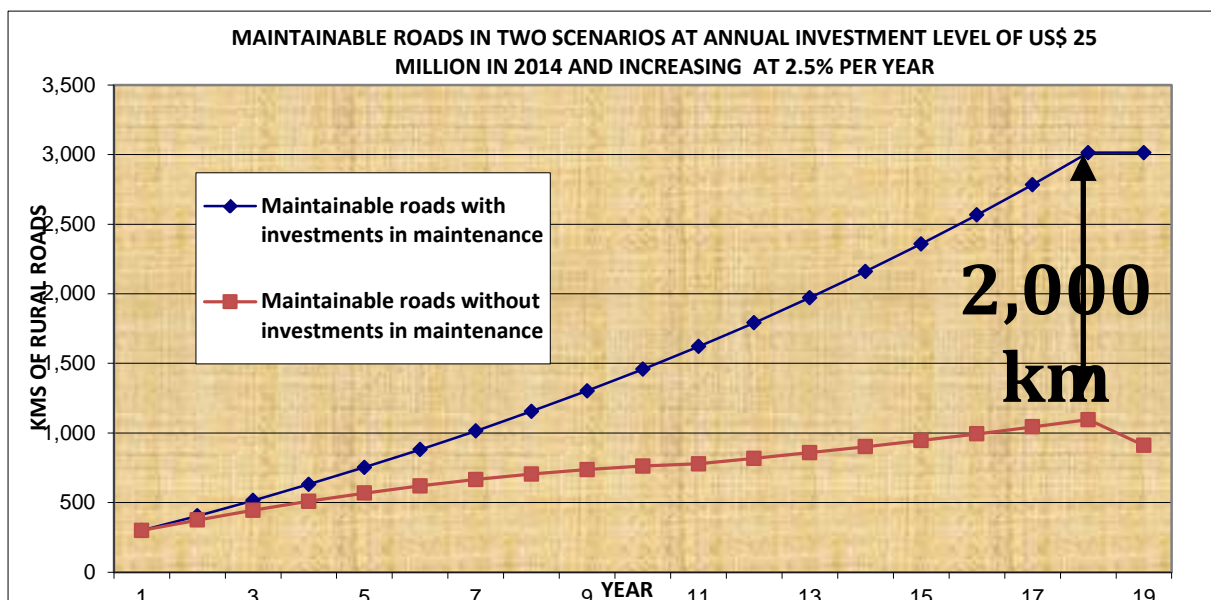


Figure 1: Impact of Reduced Maintenance on the Rural Road Network (Source: R4D consultants)

If investments in the rural road network are continued at the currently planned rate of about \$25 million a year the network of 3,000 km will be rehabilitated over the next 18 to 20 years. However, if there are no allocations for maintenance and maintenance activities are not effectively carried out the road assets will quickly deteriorate and revert to their exiting poor conditions. Under such a scenario by the end of the 20-year period an investment of over \$600 million would be lost due to poor maintenance. This would also result in an overall loss of about 2,000 km or about two-thirds of the rural road network. While such a large loss is untenable under the current funding constraints and limited resources, it demonstrates the urgent need for rural road maintenance to be properly resourced if development activities in the rural hinterlands are to be supported by a viable and connected road network. In this respect it is important for GoTL to adopt an appropriate road asset management system for its rural road network and provide it with the necessary resources if it is to remain sustainable and deliver cost effective transport services to rural populations.

Recommendation 9: DFAT and R4D advocate with GoTL to recognise the priority for road maintenance and create a specific line item in the MoPW annual budget to provide financial resources for routine and periodic maintenance of district roads.

2.2 Application of Labour based approaches

Labour engagement and involvement has been less than foreseen in the design, to date labour constitutes 18% of the total capital investment on roads where the design anticipated 40%³. On roads with a primary gravel surface, the share of labour costs varies from 20-25%. On roads with substantial lengths of concrete or asphalt pavements the labour share is 10-20%. The reasons for the lower than anticipated labour participation includes:

Refer 3.3.5 Short-term Employment opportunities in the design document

- As the size of rehabilitation and maintenance contracts increased (in comparison to TIM-Works) contractors have found it more difficult to source the larger labour force required to implement larger projects. Some contractors were found to react to a reduced labour supply by bringing people from nearby villages but others were either not able to negotiate this response or could not find local people for this work.
- Contractors did not have sufficient management skills to coordinate and instruct large groups of labourers to carry out their work productively. Some contractors said they preferred to utilise more mechanical equipment while others noted that using labour was a good alternative and highlighted they would be keen to have more staff trained in Labour-Based Technologies at the Don Bosco Foundation Training Centre, one contractor even said he would consider paying for this training himself.
- Due to the increased “quality” of the road works⁴ (high proportion of concrete) and the difficult terrain and hence difficult working conditions, the use of equipment became more appropriate and cost effective.
- Costs are high for non-labour components of the works and due to the increased “quality” of the road works⁵ more expensive materials (high proportion of concrete) were required.
- With difficult terrain and hence difficult working conditions, the use of equipment may have been more desirable.

The above response from local communities and contractors is not considered to be a rejection of labour based approaches, but more a reaction to the changed scope of work being applied to the R4D projects. Labour based technologies still have a significant place in rehabilitating and maintaining rural roads in Timor-Leste, however as more equipment becomes available and roads are using more concrete and other robust surfacing, less labour is being utilised. It should be noted that R4D has been pro-active in regards to the issues associated with a reduced labour involvement and has allowed contractors to utilise more equipment when labour was not available. However this approach has significantly changed the original design intent and the overarching rationale for partnering with the ILO and hence any future Phase II of R4D will need to consider the extent of labour based technology to be utilised and the basis of selecting the implementing partner.

Rehabilitation costs are high for the non-labour component of works compared to costs of similar works in neighboring countries. R4D should examine possibilities to reduce these costs, which are related to a combination of unregulated prices, an insufficient lack of competition in the private sector and possible over-designs (e.g. regarding lined side drains).

From a positive perspective, R4D has generated around 350,000 workdays for local communities with women comprising 30% of the workforce. Approximately US\$2million has been paid through wages. Table 3 provides a summary of the data.

⁴ Application of concrete drains and greater effort in surfacing and slope treatments due to terrain.

⁵ Application of concrete drains and greater effort in surfacing and slope treatments due to terrain.

	No. of labour-days	Average daily wage (\$)	Total cost labour wages
Total labour days generated (31 Aug 2014)	355,980		
Estimated no. unskilled labour-days (85% as per rate analysis)	302,583	5	1,512,915
Estimated no. of semi/skilled labour-days (15% - as per rate analysis)	53,397	12	640,764
TOTAL COST LABOUR WAGES (IN USD)			2,153,679
Total value of completed work (31 Aug 2014)			12,094,000
Value of labour wages as % of the value of the completed works			17.8% ⁶

Table 4: Summary of labour days and proportion of payments

Recommendation 10 R4D should keep more consistent records on the use of labour and verify the amount of labour used for various civil works operations.

Recommendation 11: R4D should analyse and compare non-labour costs with similar countries on the region and examine possibilities to reduce these costs.

2.2.1 Quality of Training and Training Materials

R4D is collaborating with another ILO project, ERA (Enhanced Rural Access) whose main purpose is to train and develop contractors in labour-based road construction and maintenance. ERA maintains a close collaboration with Don Bosco to provide training services. ERA offers basic courses for contractor staff: including directors, engineers and supervisors. During 2014, Don Bosco has offered refresher courses to already trained contractors.

All contractors that have submitted a bid have been invited to the pre-bid training. R4D has provided pre-bid training through its RE's, with the intention of improving the quality of the bids prepared. This training has been essential as many contractors have difficulties in establishing quantities and unit costs. Whilst the provision of training through the RE's is appropriate given training can be provided within the District, it does put the RE's in a difficult situation, since they also evaluate the bids and subsequently supervise the contractors. For many contractors, this is their first exposure to working in roads therefore the MTR encourage continuance of the training through to February 2016. The materials used for R4D pre-bid training has been developed by each RE and is supplemented with some slides from R4D. The MTR perceive a need to standardise the training material and to secure a uniform approach across Districts.

More than 160 contractors have been trained at Don Bosco with some 5,000-trainee days being provided to 430 trainees. ERA reports a failure rate of around 10% for labour-based training and 4% for pre-bid, refresher and maintenance training. ERA tests the level of the trainees in basic arithmetic as substantial numbers of trainees have difficulties in calculating multiplication and percentages.

⁶ This is a total figure for all rural roads under R4D. Variance in labour participation does occur between gravel and hard surfaces

Table 6 provides a brief outline of the number of individuals and contracting companies who have participated in rehabilitation and maintenance training through ERA and pre-bid training facilitated by R4D.

MOPW Supervisors and Engineers	2012	2013	2014	Total
Don Bosco -Rehabilitation Training		3950	308	4258
Don Bosco - Maintenance Training		0	408	408
R4D Pre-Bid Training		258	396	654
# of contractor companies trained		169	37	169 (2014 was refresher course)
# trainees from respective contractor co.		335	99	Several cycles

Table 6: Summary of contractors trained through ERA and R4D

Contractors are generally satisfied with the training offered both through ERA and R4D. However several contractors indicated that they feel a need for more management training related to the planning of individual contracts combined cash flow and financial management. Management of labour is another area where more training may be required. The theoretical training does provide for these elements but there is obviously a need to assist the contractors further. The MTR believes that the best way forward would be to introduce a mentoring system for contractors that wins contracts under R4D, whereby a consultant may assist in preparing an implementation and cash flow plan, and - on demand from the contractor – follows-up with further advice.

The curriculum used for training of labour-based contractors through R4D is considered appropriate by the MTR. The training has been certified by GoTL, which gives the contractors a certain status. The training is a mix of classroom training combined with field training. Training materials include the labour-based technical manual for rural roads construction; tender and pricing manual; ERAs routine maintenance manual; and formats from R4D for unit rate analysis and BOQ. Additional documents include Quality Assurance Guidelines and R4Ds Social Safeguards and Bio-Engineering Guidelines. The training material is considered of high standard.

R4D should also develop a longer-term strategy to encourage contractors to invest in their own capacity development (with support from providers such as Don Bosco and possibly IADE) and may form part of future exit strategies.

Recommendation 12: R4D collaboration with ERA (for the training of both contractors and MoPW staff in rural road rehabilitation, maintenance and supervision including refresher and pre-bid training) should be maintained and avenues explored for a ERA to assume greater involvement in training.

Recommendation 13: A Mentoring system for successful contractors should be introduced on new contracts providing business and management support.

2.2.2 Contractor Performance

Contractors generally cannot obtain credit from established banks and therefore rely on timely payments to make progress. Most contractors are small and undercapitalised. Late payment on government contracts is therefore a major inhibitor on the contracting industry as a whole. A fund has been created to cater for the needs of contractors; however it is doubtful that smaller contractors will be able to access the fund, because they generally have little collateral. In meeting with the MoF, it was explained to the MTR that a normal payment procedure takes 7-8 weeks: the line ministry may use 2-3 weeks before sending payment request to ADN for verification; it then goes to Major Projects Secretariat for 2 weeks while the processing time in MoF is 7 working days. Finally the Central Bank takes 3 working days to execute the payment. The long delays in payment are often linked with errors in the payment requests. In such cases the procedure will often need to be restarted.

R4D is utilising competitive bidding for all procurement and the GoTL has indicated its interest in abolishing single sourcing and opt for competitive bidding. The MTR support this preference as a means to create a positive environment for contractor development. However, the occurrence of emergency contracts combined with single sourcing is not likely to disappear within the immediate future. Single sourcing does not promote viable contractors, nor does it translate into quality works and goes against the quest for transparency.

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Contractor performance varies greatly from poor to good. R4D has awarded a total of 65 contracts and have stopped 3 contracts based on poor performance and is planning to stop an additional 4 contracts. Contractors should know that poor performance will be penalised. From the first day on site the contractor shall present all the staff and equipment agreed in the contract. In several cases contractors have been working without engineers on site and without appropriate equipment such as roller compactors. The contractors generally indicate that the number of available engineers is very limited, especially in rural districts. Many engineers are young graduates without experience and adequate technical knowledge to work on rural roads. The relevance of the engineer on-site precondition for bidding for R4D contracts may be questioned. Contractors rely more on experienced Supervisors.

The R4D and its contractors are beginning to experience the result of slow payments/mistakes in payment requests as DFAT funding of works is coming to an end and GoTL funding is taking over. The future success of implementing works may depend on careful R4D screening of payments request before forwarding them to MOPW and thereafter to carefully monitor the progress of the process

and inquire if deadlines are not met by the concerned agencies. Given that cash flow can be a binding constraint to private sector development, the MTR consider that DFAT, possibly in cooperation with other development partners, should raise this issue with GoTL through high level dialogue with a view to develop policy solutions to resolve the slow payment for GoTL financed projects.

The most important outcome of the Contractor Tracer Study undertaken by R4D is that the smallest contractors generally are the poorest performers. The 2015 R4D works program will be limited to US\$ 4 million. If normal government procedures remain unchanged that means that works will start in August and need to be finalised in November as accounts have to be submitted by then. To address this issue, R4D has already decided to start tendering much earlier, i.e. in November 2014 to ensure that contracts can be awarded in April 2015, which then gives a construction period of 7-8 months. This has been made possible by new procedures introduced by the ministry of Finance.

Poor performers should be excluded from further contracts and rehabilitation contracts should be larger and aim at the bigger contractors. MoPW is presently introducing a new classification of contractors, if implemented it will exclude some of the bigger and best performing contractors from bidding on R4D works. Efforts should be made to permit labour-based trained contractors to bid on all R4D contracts.

Recommendation 14: R4D should continue with competitive bidding for the works planned for 2015 and should work for preference being provided to LBT certified contractors.

2.3 Support to local contractors and private sector development

R4D has made considerable progress in supporting and promoting the local contracting industry. Evidence from focus group discussions with contractors highlight the quality of training provided to date; clear guidance and support from RE's; and timely payment of R4D contracts. The work of R4D to date is consistent with DFAT's new policy agenda to support economic growth and private sector development and with the ILOs Decent Work Agenda.

The development of a viable contracting industry for rural roads will largely depend on factors external to R4D: (i) continuation of competitive bidding by GoTL, (ii) awarding of multi-year contracts, (iii) timely payments through GoTL systems, (iv) availability and access to credit from established banks and (v) continuity and availability of rehabilitation and maintenance contracts.

The ILO currently implement a number of private sector initiatives aimed at promoting small-scale business. The greatest threat to private sector development is access to credit supported by adequate capacity to manage, plan, monitor and report expenditure. However without a continuous flow of work, the private sector will continue to contract. There is a possibility to engage with the ILO BOSS program as a means to provide additional training and capacity support to contractors, particularly with access to credit. For the longer-term there are also opportunities to establish small-scale private sector industries within Sucos to enable greater utilisation of improved rural roads.

There are a large number of registered contractors within Timor-Leste. Many contracting companies are very small (limited to families or small groups of individuals) and are often dormant, lacking appropriate staff and equipment. Most are immature in the ability to bid for work and over 90% are dependent upon government contracts. Compounding the situation is a general lack of capacity

around how to manage businesses (finance, cash flow), prepare bids and manage scope of works. Such contractors normally have only one client, namely the GoTL and in the past they been procured directly. Some of the larger and more successful contractors avoid GoTL contracts because payments are generally late or are never made

2.5 GoTL ownership and engagement

Overall it is concluded that the ownership and engagement by GoTL has been considerably less than originally planned. The substantial shortfall in GoTL allocations to the civil works component of the program will directly reduce the physical achievement of the project in terms of kilometres of rehabilitation. The flexible and changing institutional structure has also had a reduced impact on the quantity of capacity development and in particular the absence of staff in several key positions has limited the effectiveness of the training. For projects designed to provide sector outputs and provide capacity development the GoTL needs to provide the necessary resources to deliver the intended project components. If such an approach is not followed then it is to be expected that external assistance will not provide the overall benefits intended by the project design. The following sections provide further discussion and analysis.

2.5.1 Financial Contributions

At the commencement of R4D in May 2012 it was agreed that a financing plan of \$50 million would be shared between the GoTL and DFAT with the former providing \$20 million and the latter \$30 million. Further the Australian component would cover all of the technical assistance, equipment, part of the additional administrative costs and some civil works while the GoTL funds would be used primarily for civil works. The financing plan provided for civil works implementation of about \$30 million of which GoTL would contribute \$20 million and DFAT \$10 million.

At the present point in time the DFAT funding has been completely allocated and the resources for civil works have been exhausted largely covering rehabilitation implemented under the 2013 program a small portion of which continues at the present time. To date only US\$4.1million has been received leaving a shortfall of US\$16.7 million. The result is that the 2014 and 2015 years of the program are dependent upon GoTL funding and the amount of funds allocated to the program has been well below original expectations. The 2014 allocation amounted to \$1.5 million and the expected 2015 allocation is indicated as \$4.0 million. As a result the amount of rehabilitation and maintenance works programmed for the project overall is well below the intended amount with the result that the physical works will be significantly less than originally intended and the amount of capacity development will also be less than originally intended given that a high proportion of capacity development takes place coincident with civil works programs as on-the-job training. While the program still has a further 18 months to completion it is unlikely to meet the original intended targets.

Issues with engagement and resourcing could perhaps have been reduced if the original program had provided a detailed financing plan clearly indicating the commitments of both parties to the various components of the project. The absence of such a financing plan has resulted in a situation where GoTL financing contributions have been seen to be flexible and not essential for the project to progress. The MTR note that a financing plan does exist but it is generally weak since DFAT and GoTL expenditures are separated.

A second feature of the financing plan is that it kept the financing resources for civil works apart with DFAT and GoTL resources funding separate rehabilitation packages. While this resulted in timely implementation of the DFAT funded works it had a detrimental impact on GoTL works that have been implemented under country systems. A combination of the funds would have highlighted the need for GoTL to allocate funds for the civil works components. Secondly it would have placed pressure on GoTL processes to improve and expedite procurement processes as well as payment procedures the speed of which has had adverse impacts on overall progress as well as deflated moral of several local contractors who have experienced severe delays in payments. It is considered that if civil works packages had been implemented with joint financing arrangements it may have stimulated increased ownership and engagement by the GoTL authorities.

Recommendation 15: DFAT, together with MoPW and R4D, take a more active approach and engage the Timorese political leadership on rural roads to confirm future engagement and contributions.

Recommendation 16: DFAT to discuss with GoTL on the ownership and engagement issues in general and ascertain GoTL views on a possible Phase II to the program.

2.5.2 Technical staffing

A major feature of the program is the focus on capacity development. In this respect the involvement of the GoTL has been less than originally anticipated which is largely attributable to the fluid situation of MoPW as an institution and the limited availability of staff assigned to rural roads. At the time of project preparation the DRBFC was located in the MoI and the intention was to create a Department of Rural Roads within DRBFC. Following the 2012 elections the MoI was bifurcated into the MoI and MoPW and while this did not disrupt the core agencies it had a significant impact on central services such as Corporate Services, which provide vital administrative support. This meant that greater efforts are needed to be placed to building the central support systems for services such as recruitment of counterpart staff, procurement, GIS and IT support. This required inputs by the project team that were not originally envisaged at the time of project design.

The other area impacted by the changed institutional situation affected the staff available to counterpart and train under the project. Rural roads are largely managed at the district level and staffing levels in the districts was well below required strength both in terms of numbers and technical ability. This has meant that the number of staff available to benefit from capacity development on-the-job training has been less than expected and the number of staff available to support rural road development is below that required to sustain rural road management operations. During the initial 2.5 years of the project focus has been through 5 regional offices where support has been provided by the project. Recently GoTL has advised that in future the 13 districts will be responsible for the rural roads and the focus in the remainder of the program is expected to be through 13 district offices. While this is not expected to impact significantly due to the unexpected small budget allocation it will have considerable impact on institutional demands as new offices place added demand on limited operational budgets and new staff are recruited to fill the large number of vacancies at the district level.

MoPW is short of technical staff both in absolute numbers and in technical ability. The shortage has persisted for many years as the educational system in Timor-Leste does not produce sufficient numbers of students who qualify for engineering and related courses and this is complicated by the fact that there are no education establishments in the country to provide the required training. As a

result all engineers currently need to be trained overseas and a high proportion of which attend university courses in Indonesia and other countries in the region. The shortage of engineering skills was highlighted by previous technical assistance such as the Infrastructure Technical Assistance program⁷, which provided for capacity substitution in the Ministry of Infrastructure (which at the time incorporated MOPW) and included a scholarships program to provide training and education for highway engineers, amongst others. The shortage of technical skills not only persists at the highest technical levels but also is also evident at the lower job tiers of supervisors and administrators. All job streams require substantial training and skills development across a wide range of skills in order for incumbents to be able to perform their job satisfactorily.

The staffing shortages continue to the present time and MoPW has few engineers and technical supervisors skilled in roads and bridges. MoPW is currently recruiting additional staff members to meet the additional staffing requirements that will be required to meet the GoTL deconcentration program, which is designed to place greater focus at the local level by locating more staff at the district level. Currently MoPW operates 5 regional offices and these will be re-designated as district offices in their respective locations. However, the creation of 13 district offices will require additional staff and MoPW have initiated the recruitment of 130 staff of various categories that are required to fill the initial positions of the district offices. The staff designations are indicated in the Table below.

Staff Type	Internal Appointment	New Appointment	Total Staff
Civil Engineers	8	5	13
Supervisors Technical	15	24	39
Administrators Professional	13	-	13
Administrators Technical	28	37	65
Total	64	66	130

Table 8: Additional Staff Required for District Offices (Source: DG Corporate Services)

Of the 130 staffing requirement only 66 will be new appointments while 64 staff will be internal appointments from existing positions including those in existing regional offices. The DG Corporate Services have indicated that the recruitment process is well advanced and they expect to be able to announce the appointments by early December 2014 in time for mobilisation in January 2015. However, while the recruitment process is well developed it is not yet certain that the recruitment program will eventuate as planned. There are possibilities that the proposal to recruit new staff might encounter problems from the Civil Service Commission as the number of civil servants is generally recognized as having increased too fast over the past 5 years. Also given that the pilot program for deconcentration will only focus on 3 districts the creation of offices in all districts could be limited until the lessons learned from the pilot program are known before launching a nationwide recruitment drive for additional staff. Perhaps the largest constraint is the availability of staff and their willingness to relocate to remote locations. It is already evident that staff do not prefer to be

⁷ The Infrastructure Technical Assistance was a \$15 million program designed to provide capacity substitution and capacity development in the infrastructure sectors. It was funded by Australia and implemented by the Asian Development Bank over the 2007 to 2012 period.

district based and there are several instances where such staff spend the majority of their time in Dili rather than in the locations of their appointment.

A major limiting factor of the new district offices will be the knowledge and skills of the appointed staff. It is unlikely that they will be highly skilled in road and bridge engineering as these skills are in short supply in the country. In addition the supervisors and administrators are also likely to possess low skill levels relative to their job requirements. Overall there will be an urgent requirement to introduce and extend comprehensive training, skills and capacity development programs at the district level to enable the district offices to become viable entities able to conduct business in an efficient and effective manner. It is only through such training that the MOPW district offices will be able to deliver adequate level of service to its customers.

2.6 Implications of GoTL's decentralisation process

The government is embarking on a process of deconcentration commencing in early 2015. At the present time the details concerning this major change in the institutional setting within government are not clear and a detailed program of the changes and the timing of their role-out have yet to be discussed and agreed. The program currently envisages a pilot program involving three districts comprising Aileu, Ermera and Liquica the timing of which is scheduled to commence in January 2015.

Plans for the remaining 10 districts have yet to be announced and are most likely to depend upon the lessons learned from the initial pilot program. The full decongestion program is, therefore, not likely to be rolled-out until 2016 or even 2017 at the earliest.

In addition to the deconcentration program GoTL has already decided to designate Oecusse as a Special Administrative Region (SAR), which will become an autonomous region with its own government and administrative powers under the central government. The latter will continue to have the responsibility for national activities such as foreign policy and defence. However, the SAR will have its own internal self government covering economic powers, immigration, social development among others which is intended for it to operate independently as a special economic zone that attracts foreign investment to leverage economic activity and opportunities. While the core law has been approved by the cabinet the timing for the ensuing laws and regulations relating to the management and operation of the SAR have yet to be identified although it is commonly acknowledged that 2015 is the likely time frame.

Given the limited details currently available for both the deconcentration and decentralization issues this report has been prepared on the assumption that both programs will have similar impacts on the potential future R4D program since all districts will require adequate rehabilitation and maintenance of their rural road networks in the future. The major difference with the SAR is that it might obtain its budget from a different source compared to the districts and its MoPW staff would report to a SAR government rather than to the MoPW central government. This is likely to have implications on budget resources in the longer term, which might require a different approach to SAR programs from those addressing issues in the remaining 12 districts.

2.6.1 Context and influence

The basic thrust of GoTL deconcentration policy is to move more of its staff which are currently centrally located in Dili to district centres. A primary purpose of this policy is to move more of the decisions to the local level, which in turn will provide better service delivery to users and beneficiaries. At the present time MoPW is largely centrally based but it also has 5 Regional Offices

located in Dili, Baucau, Maliana, Same and Oecusse. The regional offices cover 2 to 3 districts except that of Oecusse, which for geographical reasons only covers the enclave. The changing institutional context suggests that the regional offices will defacto become the district offices with the Oecusse office becoming the Public Works Office of the SAR.

At the present time the district office of MoPW are short of staff to carry out their current functions. MoPW has plans to recruit 130 staff to strengthen the district offices and according to discussions with DG Corporate Services these plans are well advanced with interviews for the various positions already completed. MoPW expects to formally recruit the staff before the end of 2014 and have them mobilised in their respective offices early in the first quarter 2015. Thus in theory it would appear that MoPW is well placed to implement the deconcentration process in its road and bridges directorate general early in 2015.

However, there are various constraints that are likely to emerge that could delay the process. Firstly, it is not certain that the full number of additional staff will actually materialise, as there are possible constraints external to MoPW for the recruitment of additional public sector staff. Secondly, while there are plans to recruit the required staff there is no availability of budget to provide the complementary office facilities such as vehicles, office equipment and services and administrative requirements that would permit the additional staff to operate. Thirdly, new staff will fill many of the positions and these will require training and perhaps experience before they can adequately function and be able to take necessary decisions as part of their job function.

Operation of the regional offices has shown that MoPW clearly operates as a centrally focused organization as limited authority has been given to regional offices. While deconcentration does not imply devolution of powers the operational efficiency of 13 district offices will be impeded if they are unable to take low-level decisions. At present it is not known how the district offices will operate in practice and especially what role they might have with respect to the newly created District Administrators (DA) who are expected to effectively operate as managers in their districts with the equivalent powers and authority. The interaction between the DA's and central Ministries has yet to be determined but it is likely that there will be initial teething problems between them. The efficiency and effectiveness of MoPW's district offices will be largely dependent upon the technical and managerial ability of the district engineer appointed by MoPW and the ministry's interaction with the appointed DA.

While the operational framework of the new MoPW district offices has yet to be planned and tested it is certain that additional training of government supervisor and district engineers and their staff will be required. The execution of more work activity at the district level will require better qualified and knowledgeable staff not only at the managerial level but at all levels in the organization. Given the existing low level of knowledge and skills available at both the central and regional offices it will be necessary to continue training at the central level and to broaden and strengthen the training and capacity building programs at the district level.

2.6.2 Implications for R4D

The proposed changes to the institutional arrangements can be expected to have significant impact upon the R4D program in the longer term. However, given the uncertainties over the future of the program it is necessary to examine the possible implications under two scenarios: the first concerns

the remainder of the current phase of the program that continues until February 2016, and the second where a subsequent Phase II is approved.

Scenario 1: R4D has to date focussed on rehabilitation works in 7 districts and routine maintenance in 10 districts. The bulk of the capacity building has been focused on the 5 regional offices of MoPW as well as MoPW headquarters. The current work plan for 2015 rehabilitation works is limited to \$3 million and as a result R4D plans to limit the scope of rehabilitation to only 4 districts (excluding Oecusse) and to rehabilitate roads that adjoin previous road segments to enhance their connectivity and usefulness to beneficiaries. This approach is sensible in that it will build upon previous investments and make optimum use of the limited resources available.

Scenario 2: If R4D is extended commencing March 2016 then various options exist for the potential focus of the program which will depend to a large extent on the amount of resources made available for the program and the agreed focus determined by the GoTL and DFAT. If only a limited amount of resources are available then it would be prudent to limit the scope in terms of districts covered for civil works activities. Conversely a larger financial commitment would enable the scope of works to be spread to an expanded number of districts.

Ideally the R4D program should continue to operate in those districts where it is already having an impact, as this will enhance the development activities that have already been attained. However, since the thrust of GoTL policy is shifting towards deconcentration it would be prudent to also support this change by including the 3 pilot districts in the R4D program. Since R4D is already located in the Aileu district office it would imply adding the 2 new districts of Ermera and Liquica to Phase II of R4D as a minimum with the overall scope determined by the level of resource commitment by the partnership and other partners such as the EU.

Case Study - Proposed Oecusse SAR: R4D currently operates in Oecusse district where it has successfully rehabilitated 24 km of roads. Continuation of this program will depend upon the policy of GoTL and the allocation of resources to rural road development in the district. For the remainder of Phase I it is proposed to limit civil works to the maintenance of 56 km of rehabilitated roads completed earlier as this has been the policy directive of MoPW. MoPW is of the opinion that resources for Oecusse development are outside of the general GoTL budget and are contained a separate budget allocation for Oecusse SAR. Discussions between the Mission and Oecusse SAR indicate that there might be some misunderstanding by MoPW but this is an issue that requires to be resolved by GoTL internally. Until the question of funding is resolved the MTR agrees with R4D that funds for further rehabilitation works in Oecusse district be limited to maintenance especially since the total committed resources for the 2015 program are small. For the Phase II program the GoTL policy is unclear at this time and inclusion of Oecusse will depend upon how GoTL intends to support the SAR in terms of budgetary support. In terms of technical needs it is noted that Oecusse is no different from other districts in requiring financial resources for rural road rehabilitation and maintenance as well as capacity building of its institutions that are weak.

Recommendation 17: Due to the limited budget available for rehabilitation in 2015 civil works should be limited to 4 districts for rehabilitation and 10 districts for maintenance.

Recommendation 18: The focus of capacity development should be shifted to the district level. If the pilot deconcentration program is to be initiated in 2015 then the 2 additional pilot districts (Ermera and Liquica should be included in the program).

Recommendation 19: Further assistance to Oecusse should be limited to maintenance until GoTL decides on the institutional and management issues of the newly created SAR. From 2016 onwards, no additional rehabilitation work is to be supported.

2.7 Roles and responsibilities of the R4D team

As indicated in previous IMG reports, the complement of the R4D team is appropriate to meet the requirements of the program in terms of physical works, capacity development, institutional support and monitoring and evaluation. However in light of a reduced program of works in 2014/2015 combined with lower than expected traction with regards to capacity development, the R4D team appears a little 'adviser heavy'.

The MTR recommend no immediate change to the complement of the team. However with the departure of the Institutional Capacity Building Specialist, the MTR see limited scope to engage new personnel. This is supported by an earlier recommendation to focus training and capacity efforts at the District level, which can be covered through existing RE's. To that end, all RE's should be retained on current contracts through until September 2015 to provide consistency in approach; complete existing rehabilitation and maintenance works and develop appropriate capacity building interventions for District staff.

The Planning and Training Engineer was envisaged and proposed as a means to reduce the workload of the Senior Rural Roads Engineer, particularly with regards to planning and to support engineering works in the scale up period in 2013-2014. The current role has tended to centre on supervision of the RRMP and training support to ERA. While these are important functions, it doesn't cover the full role that was originally intended. The MTR, in light of the shift to a smaller works program and greater training support to contractors and RE's, see a need for the Planning and Training Engineer to become more involved in the development of appropriate training standards and support to the preparation of training plans in coordination with the RE's. This should be the priority focus for the role for the remaining duration of the program.

With the recommendation to focus more training and support to the field it is essential that R4D staff spend more time in the field. This is particularly relevant to the Planning and Training Engineer and Senior Rural Roads Specialist positions, which are necessary to support the application of technical standards and a district level training program. The IT specialist has made considerable progress in establishing a range of IT functions and operations within the MoPW. The MTR suggest a three-month extension for the role to assist with the finalisation of the contract and procurement database.

The CTA continues to maintain a very heavy workload with regards to strategic direction, MoPW engagement, institutional support and administrative duties. The MTR do see scope to have a local program/administrative officer appointed to remove the administrative workload of the CTA. Costs savings derived through the non-replacement of the Institutional Capacity Building Specialist could be applied to support a local staff member.

Recommendation 20: R4D to consider current internal staffing arrangements to ensure sufficient staff remains to complete existing works. In delivering works it is expected that key specialist positions spent at least 50% of time in the field supporting RE's and MoPW district staff. All engineering staff should be contracted up until September 2015 with a final decision on extensions to be made in April 2015 following the next IMG review.

3 Future directions for remaining 18-months

The remaining period for R4D only covers one more construction period in 2015. The expected resources available are limited to \$4 million in total of which \$1 million will be prioritized for routine maintenance leaving only \$3 million for rehabilitation. This will equate to maintenance work of approximately 370km. The MTR team suggest that the rehabilitation funds be allocated for 4 projects in 4 separate regions covering approximately 25km. The MTR consider the need to limit the construction is correct but the big question is whether the \$3 million should cover 4 districts or should the number of districts be reduced to 1 or 2 to save costs in TA supervision.

Maintenance operations will cover 10 districts (almost the whole country) with only about \$100,000 to be disbursed in each district. In many ways this is not very cost effective as the supervision costs of such a small amount possibly exceed the cost of maintenance in each district. If the project was definitely going to close in 2016, the MTR suggest limiting the construction costs to 2 districts and keep one additional RE to assist with the maintenance and training.

However, there is high likelihood that R4D will enter a Phase II commencing March 2016. In this respect the MTR recommends retaining all 5 REs in the short term (up to September 2015) as is currently planned by R4D. Knowledge about the second phase will be known by May 2015 (hopefully earlier) and the scope of Phase II will also be detailed by that time. This will enable the resource requirement for Phase II to be determined at that time and if fewer REs are to be employed in Phase II then the current plan to scale back in September can be implemented or extended as required by the new scope of work.

The MTR suggest the following work priorities in taking R4D through until February 2016.

- **Institutionalisation of the rural road master plan.** This should include training of MOPW planning staff and training of District Engineers and other key staff (in other agencies) on how to prioritize selection of roads and how to continuously update the RRMP.
- **Technical Standards:** Prepare and approve documents that explain the technical standards for use on district roads in Timor-Leste. The MTR see the need for two documents (i) Rural Roads Design Manual and (ii) A Manual for the Quality Assurance Techniques and Measurements to be applied during construction and maintenance. R4D may consider preparing a separate maintenance handbook for use by the Districts.
- **Procurement Plan:** Prepare a procurement plan for 2016 setting out the works to be procured and plans for bidding and award of contracts. This document should be a component of the budget submissions for 2016. Secondly the MoPW contract management and procurement system should be continued to be institutionalized to become an important management tool for both the Engineering and Corporate Services DGs.

- **Updated Capacity Development/Training Plan:** Detail the other training programs to be implemented for 2015 and plan for 2016 if required.
- **Monitoring and Evaluation:** Complete another round of the contractor tracer study involving contractors who participated in the 2013 works program. This information would complement the data already collected and provide further evidence of performance of the private sector in supporting road works. There is also an opportunity for R4D to consider a joint study with other programs as part of a broader impact study for rural development (or at least to initiate coordination meetings with other M&E specialists).

4 Long-term R4D engagement and planning considerations - future design

DFAT requested the MTR team to provide some initial considerations and thoughts around a possible extension of R4D into Phase II. The following points are raised as provisional suggestions and are open for further discussion. An immediate priority is for DFAT to meet with senior GoTL leadership to discuss on-going commitments to rural roads. In addition to this, DFAT also need to consider budgetary commitments moving forward. For appropriate planning, the MTR suggest provisional decisions being made around February/March 2015 to enable adequate time for planning and scoping.

The following points are provided for DFAT's and R4D's consideration. A future program needs to consider:

- **Ownership** – it is most important that GoTL and MoPW recognise the priority for rural roads and commit to delivering better rural road services in the future. They also need to commit to the GoTL-DFAT partnership and deliver their components of the partnership. There are several options that need to be considered such as tying DFAT funds to commitments from GoTL, GoTL to commit definite funding for the next 4-year period up front and to agree a definitive financing plan and partnership agreement.
- **Engagement** – GoTL and MoPW need to be much more engaged with R4D if the overall program is to be a success. The future program needs to be closely aligned to future operations and management functions of GoTL. A core aspect will depend on the deconcentration and decentralization processes that are eventually developed. DFAT can support all conditions depending upon the needs and priorities defined by GoTL, however clarity is required. Consultation with GoTL is essential around proposed timeframes for deconcentration as well confirmation of financial commitments moving forward.
- **R4D should continue to focus on rehabilitation and maintenance of district roads.** During the next 4-year period greater attention will also need to be placed on periodic maintenance, as the gravel roads rehabilitated earlier require re-gravelling. There is an urgent need to improve the rural road network and the need to institutionalize maintenance. A focus needs to be given to Quality Assurance and delivering roads that meet engineering standards and provide acceptable service levels.
- **Management focus is required** - this should be at both the central MoPW level as well as at the district level. Training programs need to be designed and delivered at both levels. For district training there is a need to also include MoPW as well as other district based organizations that also manage and deliver roads.
- **Close coordination with other donors (e.g. The European Union)** - There is the need to maximize the synergies of all partners. This would be coordination and harmonization of

programs and not joint financing per se. Parallel financing is the recommended way forward as it should provide greater opportunity for leverage and influence. EU could train the contractors and MOPW staff in supervision activities.

- **Focus on managing the rural road network at both the central and district levels.** Emphasis should be on road asset management and not the ad hoc approach as is the present emphasis. Perhaps the longer-term focus should be on long-term maintenance contracts to maintain the district road network or at least portions of it.
- **There needs to be a much closer relationship between roads and other rural development sectors.** DFAT can play a very strong coordinating role in this sphere given the significant levels of investment currently delivered through a range of development programs. At present, works on rural roads are only a derived demand. In other words, they are there for other sectors to use and do not create benefits by themselves. Thus the need for agricultural activity to actually happen, particularly in supporting the growth of Suco level private sector development. Greater synergy is required between R4D and other DFAT activities in rural development and private sector development.

Recommendation 21: DFAT confirm funding arrangements for a possible R4D Phase II by March 2015.

Recommendation 22: DFAT to schedule IMG visit as a review process and a scoping/design/exit strategy mission, preferably in April 2015.

5 Key conclusions

The R4D program has made sound progress in the past two years despite the impact of a number of challenging external influences. R4D has pitched its support and resources at the right level and has attained traction in key areas, particularly in demonstrating what a quality rural network could look like. The MTR believe that progress is adequate based on the challenges and contextual factors influencing implementation and progress. Adequacy moving forward is dependent primarily upon the GoTL in providing agreed financial commitments and demonstrating commitment to lead and coordinate rural roads rehabilitation and maintenance as part of a broader rural development agenda.

The program products produced to date, namely budgetary and planning support coupled with the commencement of the RRMP, have the potential to further support rural road prioritisation and engagement of MoPW with other stakeholders operating in the rural road sector sphere.

Road works have progressed primarily on the back of the utilisation of DFAT funds which enables quick approvals and payment of contractors. Surface treatment decisions have reduced the overall number of kilometres serviced under rehabilitation and maintenance contracts, however the quality of the roads when compared to other donor-led activities is very high. Costs have increased from initial budgets, however evidence suggests that these costs have stabilised somewhat. A detailed analysis of cost unit pricing would be advantageous at this stage.

Capacity development gains have been limited to select individuals and units within MoPW and in supporting contractors through pre-bid and technical training. Capacity development overall has not achieved as expected, primarily due to the lack of direct counterparts however traction has been made through contractor training. The partnership arrangements with ERA should be continued and

enhanced where possible. The MTR suggest an effort is made to introduce more project/business management elements to complement technical training. The proposed next round of the M&E contractor tracer study will provide invaluable insights into the health of the contracting industry and assess the progress of the private sector to engage, complete works and seek to expand operations.

The deconcentration process underway in GoTL will drive the future strategic direction of R4D. The MTR believe that greater attention should be provided to Districts, namely district engineers in MoPW but also for other agencies and projects (SEFOPE, PNDS, PDID) through localised training and technical support. Given the reduced scope of road works, RE's under the guidance of the SRRE and PTES, should aim to deliver more capacity training at this level.

The future success of the program is predominantly reliant upon the GoTL following the lead of the R4D program and making adequate and appropriate financial and technical contributions to the program. GoTL contributions to date have not matched expectations and have constrained the ability of R4D to deliver a quality program across its key components. R4D has expended considerable resources in the past two-years to support the MoPW to the current stage, however there is a real risk that substantive gains will be lost.

The MTR recommend that DFAT take immediate action at the highest levels of government (i.e. PMO) to ascertain on-going commitment to rural roads and the ability of GoTL to make consistent contributions based on previous agreements. If necessary, DFAT should look to establishing a more formalised financing plan around which contributions by GoTL are matched with funding from DFAT.

For the remainder of Phase I, in light of the reduced GoTL budget for 2015, R4D should optimising the use of resources by limiting the number of districts for civil works to those where adjoining links will enhance roads already rehabilitated earlier in the program and conducting routine road maintenance on all roads previously improved covering 10 districts.

If a Phase II is approved the scope will be determined by the level of financial commitments allocated to the program divided between civil works and capacity building. In reviewing the scope emphasis needs to be placed on GoTL policy for deconcentration and its timing as well as the intended program for the Oecusse SAR. The focus of Phase II should not be spread too thin in terms of planned civil works as greater impact generally results from consolidating works to achieve better connectivity rather than investing in disparate roads in remote locations. It will also be important to take into account the recommendations of the rural road master plan which is due to report in February 2015. Continued emphasis on capacity building is required particularly at the district level especially since activation of the deconcentration policy will require strengthened institutions at the district level.

Attachment 1: Mid-Term Review -Terms of Reference (ToR)



**Terms of reference
Independent Joint Midterm Evaluation
Roads for Development (R4D) Program
TIM/12/01/AUS**

14 August 2014

I. INTRODUCTION AND RATIONALE FOR EVALUATION

1. The Roads for Development (R4D) program is a government of Timor Leste programme and is aimed at supporting development and management of the rural roads network in Timor Leste. The program involves contributions from the Government of Timor-Leste (GoTL) through the Ministry of Public Works (MPW) and Government of Australia (GoA) through the Department of Foreign Affairs and Trade (DFAT). The International Labour Organization (ILO), as the delivery organisation, provides technical and managerial expertise to implement the program in partnership with GoTL. The programme combines physical works including rehabilitation and maintenance along with capacity building initiatives at both the institutional and individual/contractor level.
2. R4D reflects the joint development priorities of the GoTL and GoA in providing rural Timor-Leste with a functioning and appropriate road network. R4D provides direct implementation support and investments in rural road rehabilitation and maintenance and, where appropriate, applies labour-based approaches and technologies. The programme combines the rehabilitation and maintenance of rural road along with capacity building initiatives at both the institutional and individual/contractor level.
3. The R4D programmes commenced in March 2012 and will end in February 2016. The donor contribution over four years from 2012 to 2016 is AUD30 million with GoTL contribution of USD20.6 million. The program is currently in its third year of its implementation. The program document calls for an independent joint GoTL/DFAT/ILO mid-term evaluation in the beginning of year 3. The joint midterm evaluation is thus proposed and planned to be conducted in September/October of 2014.
4. This joint independent midterm evaluation will be conducted in accordance with DFAT and ILO policy guidelines for results-based evaluation, which provides for systematic assessment of the program. The midterm evaluation will aim at assessing the progress made to date towards achieving the project objectives. It also aims at identifying lessons learnt and

proposing recommendations to improve effectiveness, delivery of quality outputs, and strengthening the program for remaining period.

5. The evaluation will be managed by an Evaluation Management Committee comprising of representatives of DFAT and ILO. Government of Timor Leste will be consulted throughout the evaluation process. The R4D project will bear the cost of the evaluation, including the cost of the evaluation consultant to be recruited by the ILO. The evaluation report will be in English. The evaluation will comply with evaluation procedures and standards and follow ethical safeguards, all as specified by UN Norms and Standards.

II. BACKGROUND OF THE PROGRAM

6. The GoTL is committed to the development and improvement of rural livelihoods and poverty reduction through strengthening the quantity and quality of infrastructure. The rural road network is an essential element in connecting Timor-Leste to a whole range of services and markets. The road network includes 1,426 km of national roads, 869 km of district roads, 716 km of urban roads and more than 3,000 km of rural roads , the large majority of them being unpaved.
7. The GoTL has established targets for rural roads in the Program of the Fifth Constitutional Government 2012-2017, the Timor-Leste Strategic Development Plan 2011-2030 (SDP), and the Strategic Planning Agreement for Development between the GoTL and DFAT.
8. Development Objective: Women and men in rural Timor-Leste are deriving social and economic benefits from improved road access. Its outcomes are 1) GoTL is more effectively planning, budgeting and managing rural road works using labour based methods, as appropriate; 2) Local civil works contractors more effectively implement investments in rural road works, using labour-based methods as appropriate; and 3) Rural road development adequately resourced and planning and implementation of investment effectively coordinated between concerned Government agencies and (donor) project.

Project Strategy

9. The programme strategies are to develop and institutionalize adequate capacities in the public sector – in particular within the Directorate of Roads, Bridges and Flood Control (DRBFC) of Ministry of Public Work (MPW) – and in the private sector that will enable GoTL to effectively and equitably plan, budget and implement investments in rural road construction, rehabilitation and maintenance using local contractors.
10. A holistic capacity building focuses at strengthening capacities in the public and private sector. This is done by supporting DRBFC in establishing functional management and technical capacities and operational tools, in supporting policy/strategy dialogue and development, by providing leading coordination support and by supporting the development of a performance culture and knowledge management capability. Capacity building of MPWP has been integrated within the institutional structure of DRBFC and ILO R4D specialists have worked embedded and in-line with DRBFC staff. Capacity building of the

private sector focuses on strengthening the planning, technical and managerial capacities of district-based contractors through a combination of class-room training and on-the-job training and coaching

Project Management

11. The project is managed by a Chief Technical Adviser who is responsible for overall management and technical implementation of the program.
12. The project design outlined an intention for a Project Steering Committee (PSC). The latest Independent Monitoring Group (IMG) review reports (Feb 2014) indicates that to date the PSC has not been formed, primarily as a result of consultations between R4D, DFAT and MPW deciding that a PSC was not an immediate priority. According to the IMG report it was agreed between stakeholders that regular communication would occur on a quarterly basis. The IMG also recommended that R4D seek to strengthen and enhance the Rural Road Working Group (RRWG) as a coordinating committee for the rural roads sector.
13. In terms of coordination, consultation, and information sharing – the Rural Road Working Group (RRWG) has been established by R4D. The representatives of MPW(as chair), SEPFOPE, Ministry of State Administration, CARE, ERA, ADB, the Ministry of Commerce, Industries and Environment were invited to the meetings of RRWG. 9 meetings of RRWG were held according to the latest progress report. It is planned to include representatives of the Suco Development Programme (PNDS), Besik (Water and Sanitation Program) and the Ministry of Agriculture (Seed of Life Programme) from early 2014 onwards.

Progress to date

14. The progress towards outcome 1 has not been fully achieved as per milestone indicators as of 31 Dec 2013, as indicated in the latest progress report. This has been caused by several factors including MPW unable to commit to finance 12 fulltime supervisors; the uncertainty of MPW available budget; work load of R4D International Regional Engineer. Progress made towards achieving outcome 2 –has been very satisfactory to date. For the outcome 3 – only some progress has been made in regard to the coordination of rural road work that the Rural Roads Working Group has been established and is operational. There have been a couple of roads that have been inaugurated in Oecusse. One road (Leolbatan road) inaugurated by the Minister of Public Works & another road (Mahata-Kusi) was inaugurated by H.E President of Timor-Leste.
15. Delivery of Rural Road Works: according to the IMG review conducted in Dec 2013, good progress has been made with the rural road works, the training of contractors, the development of various key systems and procedures tendering the development of a Rural Road Master Plan and the finalisation and implementation of the M&E plan. IMG review suggests that there is a need to maintain a continued focus on road works and this should remain prominent in 2014, with an increased scope in road rehabilitation combined with ongoing maintenance of 2013 roads.
16. Institutional Capacity Development: IMG report recommended that in 2014 more attention should be given to the institutional capacity development and that a strategic review of capacity building approach needs to be undertaken. Areas of concern include the

uncertainty of the Ministry of Public Work/GoTL budget process, the limited availability of MOP staff to work with R4D and observed quality issues on the road work.

17. Monitoring, Evaluation and reporting: The M&E Plan was completed in April 2013 and was approved by DFAT in November 2013. The work on baseline studies has started. The R4D has been reviewed on annual basis by the Independent Monitoring Group (IMG) review mission. To date, 2 IMG reviews conducted – first IMG was conducted in March 2013 and the second IMG review took place in December 2013. The July-December 2013 R4D progress report was submitted to DFAT in January 2014.

II. PURPOSES AND SCOPE OF THE EVALUATION

Purposes

18. The purpose of this evaluation is to assess the continued relevance of R4D interventions and the progress made towards achieving its planned objectives. It provides an opportunity to make modifications to ensure the achievement of these objectives within the lifetime of the project. In addition the midterm evaluation provide an opportunity to ascertain the interventions are still coherent and useful to key stakeholders particularly the GoTL, coherent to DFAT and ILO's strategic objectives and to assess whether the interventions are being conducted in an efficient manner as per DFAT and ILO standards and the agreed project document. The midterm evaluation will also provide recommendation regarding the possible second phase of R4D.

Scope and key evaluation questions:-

19. The midterm evaluation covers all interventions of R4D program. The evaluation includes all outputs, activities that have been produced since the start of the project up to now. The evaluation will cover all geographical coverage of the R4D but the evaluation mission may visit selected districts.
20. The midterm evaluation will focus on the followings key questions:
 - To what extent has the program made appropriate choices about the use of labour-based approaches?
 - To what extent is the program contributing to the development of a viable contracting industry? What factors may limit the local industry?
 - How appropriate are R4D's capacity building approaches with the Ministry of Public Works? To what extent are we making adequate progress toward achieving outcomes 1 and 3?
 - How adequate is GoTL ownership? What constraints is GoTL facing in terms of budget and human resource allocations? What alternatives strategies are recommended to improve progress?
 - What are the implications of GoTL's emerging decentralization agenda for the rural roads sectors? How can R4D respond to these? Are there any other major changes in the context that require adjustments from the program?

Client

21. The primary clients of the evaluation are R4D project management, ILO Office for Indonesia and Timor Leste, the donor (DFAT), Timor-Lester rural development team and management team, ILO DWT-Bangkok, and ROAP. The evaluation process will be participatory. The Office, the tripartite constituents and other parties involved in the execution of the project will use, as appropriate, the evaluation findings and lessons learnt.

III. EVALUATION CRITERIA AND QUESTIONS

22. The evaluation will adhere to UN System Evaluation Norms and Standards and applies OECD/DAC Evaluation Quality Standards. The evaluation should address the key evaluation questions and the OECD/DAC evaluation quality criteria such as relevance, effectiveness, efficiency and sustainability. The evaluation will also be guided by the DFAT/Australian Aid, IET and Pacific Branches – *Evaluation Capacity Building Program: Monitoring and Evaluation Standards (2014)*; and the *ILO Policy Guidelines for results-based evaluation, 2012* (http://www.ilo.org/eval/Evaluationguidance/WCMS_176814/lang--en/index.htm).
23. In line with the results-based approach applied by the ILO, the evaluation will focus on identifying and analysing results through addressing key questions related to the evaluation concerns and the achievement of the immediate objectives of the project using data from the logical framework indicators.
24. The specific issues and aspects to be addressed in the midterm evaluation will be guided by this TOR. The TOR will be shared with tripartite constituents and key stakeholders for their inputs. The suggested evaluation criteria and questions are included in Annex 1. Other aspects can be added as identified by the evaluation team in accordance with the given purpose and in consultation with the Evaluation Management Committee.
25. The evaluation plan and instrument (as part of inception report) to be prepared by the evaluation team will indicate and/or may modify (in consultation with the Evaluation Management Committee), upon completion of the desk review, the selected specific aspects to be addressed in this evaluation.

IV. METHODOLOGY

The followings are proposed methods and it should be refined by the evaluation team. The evaluation team will submit an inception report with a solid evaluation plan proposing appropriate methods for the evaluation questions posed. Triangulation of methods should be proposed to enhance the rigour of the evaluation finding and conclusion.

Consultation and stakeholder engagement

26. Open and transparent consultations will underpin the evaluation. The consultation will be made with project management and staff, tripartite constituents and relevant key stakeholders in Timor Leste, relevant ILO responsible offices, and the donor (DFAT) at all the stages of the evaluation.

27. DFAT, ILO and tripartite constituents will have the opportunity to comment on the Terms of Reference (ToR) for the evaluation. The ILO will finalise the ToR taking into account the comments of these stakeholders.
28. The independent evaluator will draft a report on the performance and effectiveness of the project and determine areas for possible improvement. DFAT, ILO and tripartite constituents and other key stakeholders will have the opportunity to provide input and feedback during this process.
29. All stakeholders will also be given the opportunity to comment on the draft report, which will be circulated for comment. The comments will be taken into consideration by the independent evaluation team in preparing the final report.

Evaluation techniques and data collection

30. The evaluator will seek to apply a variety of simple evaluation techniques – desk review, meetings with stakeholders (list to be provided), focus group discussions, field visits, informed judgement and possible scoring, ranking or rating techniques.
31. The preliminary findings of the evaluation will be presented during a stakeholder meeting. The evaluation will be based on analysis of empirical evidence to establish findings and conclusions in response to specific questions.

Desk review

32. A desk review will analyse the project document, progress reports, and independent monitoring group reports. Other relevant documentations will also be provided by the project team. The desk review will suggest a number of initial findings that in turn may point to additional or fine tune evaluation questions and plan (to be part of the inception report). This will guide the midterm evaluation instrument which should be finalized in consultation with the evaluation management committee. The evaluation team will review the documents before conducting any interviews. Key documents to review are suggested in Annex 3.

Interviews with key stakeholders (evaluation mission in Timor Leste will be about 2.5 weeks)

33. The evaluation team will undertake number of individual discussions with key stakeholders. An indicative list of persons to interview will be prepared by the project team.

Field visits

34. The evaluation team will undertake a field mission to Timor Leste and will visit number of project sites to meet and do the reality check and also see the real impact of the projects. It is proposed that the field visits take place in 2-3 districts out of the total 7 districts that R4D is working in. However the evaluation team may split up if imperative that more districts are covered. They will be representatives in terms of geographical coverage, terrain conditions, types and volumes of work.

V. EVALUATION PROCESS and MAIN DELIVERABLES

35. The evaluation will include a preparatory desk phase (home-based), a field phase (in Timor Leste) and a synthesis and reporting phase (home-based). Specific tasks and responsibilities of the evaluation team include, but are not limited to
- a. Preparatory Desk Phases**
 - Review information and documents as indicated in Annex 3
 - Briefing with Evaluation Management Committee
 - Prepare and submit an inception report which includes evaluation instrument, evaluation plan for the field phase, proposed data collection and analysis approaches to the Evaluation Management Committee
 - b. Field Phase**
 - Briefing with R4D team MoPW, DFAT
 - Conduct the evaluation as per agreed upon approach and work plan
 - At the end of the evaluation mission, conduct a stakeholders workshop to present a preliminary findings to key stakeholders and conduct debriefing to R4D (MoPW and DFAT?) team
 - c. Reporting Phase**
 - Consolidate and analyse/synthesize all the information during the desk phase and the field phase
 - Provide a draft report of 30 pages (excluding annexes) to the EMC following the suggested content below
 - Based on the feedback received from DFAT, ILO and R4D team, MoPW, and ILO tripartite constituents, submit the revised report to EMC for quality check. If quality has been met, EMC will consider it to be a final version (subject to approval of DFAT and ILO Evaluation unit)
36. The main deliverables of this evaluation are 1) an inception report 2) stakeholders workshop; 3) draft evaluation report 4) a final evaluation report with executive summary (in standard ILO format). The contents of the report include:
- Title page (standard ILO template)
 - Table of contents
 - Executive summary
 - Acronyms
 - Background and project description
 - Purpose of evaluation
 - Evaluation methodology and evaluation questions
 - Project status and findings by outcome and overall
 - Conclusions and recommendations
 - Lessons learnt and potential good practices (please provide also template annex as per ILO guidelines on Evaluation lessons learnt and good practices) and models of intervention
 - Annexes (list of interviews, overview of meetings, proceedings stakeholder meetings, other relevant information)
37. The main evaluation report should be concise and not exceed 30 pages excluding annexes (supporting data and details can be included in annexes).

38. All draft and final outputs, including supporting documents, analytical reports and raw data should be provided in electronic version compatible with WORD for Windows. Ownership of the data from the evaluation rests jointly with the ILO, DFAT and the consultants. The copyright of the evaluation report will rest exclusively with the ILO and DFAT. Use of the data for publication and other presentation can only be made with the agreement of ILO and DFAT. Key stakeholders can make appropriate use of the evaluation report in line with the original purpose and with appropriate acknowledgement.

7. MANAGEMENT ARRANGEMENTS AND WORK PLAN

39. **Evaluation Management Committee (EMC):** For better coordination in managing this joint midterm evaluation, representatives of GoTL, DFAT and ILO will be assigned to manage the evaluation jointly. The EMC will act as ‘evaluation manager’ of the evaluation and will have the responsibility to plan, select the evaluation consultants, manage the evaluation consultants, finalising and approving the evaluation, and dissemination of the report. A consultative approach will be used in sharing of relevant information throughout the evaluation process and if needed decisions will be made jointly on a case by case basis. The EMC will comprise of the followings: -
- a. Mr. Gerard Cheong of DFAT
 - b. Ms. Pamornrat Pringsulaka, Regional Evaluation Officer –based at ILO Regional Office for Asia and the Pacific will represent ILO in this committee. She will be backstopped by Mr. Francisco Guzman, Senior Evaluation Officer of ILO Evaluation unit, Geneva.

Specific tasks of the EMC are as follows:-

- Planning for evaluation and draft evaluation Terms of Reference (TOR)
 - Briefing with project staff and stakeholders – including consultation with key stakeholders on evaluation TOR, and report.
 - Define the contents of the evaluation Terms of Reference (TOR), define the evaluation criteria and questions, define methodology to be followed
 - Preparing for starting an evaluation – this includes scheduling and budgeting for evaluation, and facilitate with cooperation of R4D project CTA the supply of documentation to the evaluation team.
- Selecting and contracting evaluation consultants
 - Advertising and searching for evaluators
 - Justifying the selection of an evaluator
 - Evaluation contracts
 - Evaluation consultant briefing
- Managing the consultant
 - Approving the inception report
 - Managing the evaluation process
 - Managing problems and drafting the report
- Approving the evaluation
 - Circulating a draft report to circulate to stakeholders for comments
 - Assisting in the setting up of the final workshop or meeting (for evaluation team to present preliminary findings)
 - Circulating the final draft

- Ensuring the final report is approved by ILO Evaluation Unit and DFAT
- Dissemination of the evaluation

40. **Evaluation team:** The evaluation team reports to the Evaluation Management Committee. The Independent joint midterm evaluation will consists of a team of 3 specialists: -

- a) **Evaluation team leader** (with strong background in design and M&E expertise) - to be recruited by DFAT following DFAT procedures. He/She will have the overall responsibility of the task and outputs set out in this TOR. He/she is responsible for leading the evaluation and for drafting and finalizing all the required outputs. Inputs will be provided by the team members on issues relevant to their expertise as agreed upon in this TOR and within the team.

Role: Responsible for designing the evaluation plan and writing the inception report, leading the collection and processing of information, directing the work of the rural road engineer adviser and of the capacity development specialist, presenting the findings at the stakeholders workshop, debrief the R4D management, and writing the draft and final report.

Qualification:

- The team leader should have expertise and extensive experience in M&E of development projects/programmes especially in the infrastructure sector
- Experience as evaluation team leader
- Familiar with DFAT/Australian Aid Performance and Quality Standards
- Possess skills and knowledge in evaluation methods and be sensitive to the needs and belief of different group of stakeholders in data collection/gathering. He/she will conduct a participatory and inclusive evaluation process.
- Possess analytical and writing skills and able to facilitate stakeholders workshop

- b) **A Rural Road engineer/adviser –as a team member** to be recruited by DFAT following DFAT procedures.

Role: The rural road engineer will provide inputs to the team leader in regard to the assessment of the effectiveness, and quality and delivery of rural road works as per key evaluation questions and evaluation criteria in this TOR.

Qualifications:

- A minimum of 10 years' experience in the infrastructure sector in the context of development assistance programs
- Sound understanding and experience in labour-based technology particularly for road works
- Significant experience in evaluation processes in infrastructure programs in development assistance programs particularly as a team member

- Very good team member skills and the ability to adapt to changing situations during an evaluation mission
 - Ability to write concisely in English
- c) **A Capacity Development/training specialist – as team member** - to be recruited by ILO following ILO procedures. The capacity building specialist will provide inputs to the team leader (including conducting a strategic review of R4D Institutional capacity building approach) in regard to the capacity development interventions of the R4D program.

Role: responsible for evaluating and appreciation of capacity development approach used, institutionalizing approach in capacity development. The Capacity Development/Training specialist will provide inputs to the Team Leader as per key evaluation questions and evaluation criteria.

Qualifications:

- A minimum of 7-10 years' experience in capacity building of labour-based infrastructure development programs
- A good theoretical and practical understanding of ILO's labour-based road development approach
- Experience in evaluations of ILO, UN and international development agencies would be an asset
- Experience in Timor Leste is an advantage
- Ability to work as a team member
- Ability to write concisely in English

d) **A ministry of Public Works representative** – as a team member – to be assigned by the ministry. This person will represent the views of the ministry and provide inputs to the team as a whole. The specific focus and duties of the person will be determined by the Team Leader in consultation with the ministry.

41. **Management arrangements:** The Evaluation Management Committee is responsible for the overall coordination and management of this evaluation. The evaluation is jointly management by DFAT (Mr. Gerard Cheong) and ILO (Ms. Pamornrat Pringsulaka, Evaluation Officer of ILO Regional Office for Asia and the Pacific) - whom the evaluation Team leader reports to. The evaluation team members report to both the EMC and to the Team leader.
42. **Stakeholders' role:** All stakeholders will be consulted and will have opportunities to provide inputs to the TOR and to the draft Evaluation Report.
43. **The Tasks of R4D:** The project team will provide logistic and administrative support to the evaluation throughout the process, ensuring project documentation is up to date and easily accessible and providing support to the evaluation team during the evaluation mission.
44. **Work plan and Timeframe:**

Task	Responsible Person	Time Frame
Preparation ToR	Evaluation Management Committee	April 2014
Sharing the TOR with all concerned for comments/inputs	Evaluation Management Committee	May 2014
Finalization of the TOR	Evaluation Management Committee	Mid July 2014
Approval of the TOR	ILO EVAL and DFAT	Mid July 2014
Selection of consultant and finalisation	Evaluation Management Committee (as per above ToR)	End June 2014
Draft mission itinerary for the evaluator and the list of key stakeholders to be interviewed	CTA and DFAT	August 2014
Ex-col contract based on the TOR prepared/signed	CTA and DFAT	August 2014
Brief evaluators on ILO evaluation policy	Evaluation Management Committee	September 2014
Inception report submission	Evaluation Team	Early Sep 2014
Evaluation Mission + stakeholders workshop	Evaluation team	Sep 2014 (3 weeks starting 8 September 2014)
Debriefing meeting	Evaluation team	End of mission
Drafting of evaluation report and submitting to the Evaluation Manager	Evaluation team	Oct 2014
Sharing the draft report to all concerned for comments	Evaluation Management Committee	10 Oct 2014
Consolidated comments on the draft report, send to the evaluator	Evaluation Management Committee	27 Oct 2014
Finalisation of the report	Evaluation team	30 Oct 2014
Review of the final report	Evaluation Management Committee	1 Nov 2014
Approval of the final evaluation report	ILO EVAL	12Nov 2014
Follow up on recommendations	R4D program, ILO Jakarta	Nov-Dec 2014

45. *Budget:* Costs of final evaluation will be borne by the R4D program and DFAT. These costs will involve fee, Daily Subsistence Allowance (as per UN rate for Timor Leste) and air-ticket of a team of evaluators; a cost of a tripartite stakeholders workshop; interpretation cost, transportation cost during the evaluation mission.

7. LIST ANNEX

ANNEX 1: The suggested evaluation criteria and questions

1. Relevance and strategic fit
1.1 Does the R4D program address the stakeholders' needs that were identified? Is R4D intervention still coherent and useful to key stakeholders particularly the GoTL priorities, coherent to DFAT and ILO DWCP and its strategic objectives? Does the R4D align with ILO's mainstreaming strategy on gender equality" and make explicit reference to it?
2. Validity of design
2.1 Is the R4D programme design (objectives, strategies, outputs, activities) still relevant to the situation on the ground? Does the design need to be modified in the second half of the project? Is the strategy for sustainability of impact defined clearly at the design stage of the R4D program?
2.2 Is the intervention logic coherent and realistic? Specifically: <ul style="list-style-type: none"> - Review the MoPW engagement and contributions, the MoUs between ILO and MoPW particularly on the provision of MoPW personnel (both at national and at regions/districts levels) whether these will be realised, if not to what extent it has affected the program implementation and the achievement of the project. Consider options to address this shortfall
2.3 How appropriate and useful are the indicators and means of verification described in the R4D program document and the M&E matrix for assessing the program's progress, results and impact? Are the targeted indicators' value realistic and can be tracked? Are indicators gender sensitive?
3. Programme effectiveness
3.1 What progress has been made towards achieving the defined outcomes? How is the program contributing to achieving the GoTL priority and national development plan, DFAT's plan, and relevant ILO DWCP outcomes? What are the main constraints, problems and areas in need of further attention both internal and external?
3.2 Have the quantity and quality of the outputs produced so far been satisfactory? Do the benefits accrue equally to men and women? Are the MoPW and partners satisfied with the quality of tools, technical advice, training and other activities delivered by the programme?
3.3 Assess how gender considerations have been mainstreamed throughout the program cycle (design, planning, implementation, M&E). Has the R4D program, where appropriate, adopted approaches and mechanisms to ensure its relevance to women as well as men. Should there be any actions to improve the effectiveness of an intervention to address the different needs of women and men and to contribute to greater gender equality?

3.4 Assess the institutional support (support to Rural Master Plan and capacity development approach) that R4D has been provided to MoPW to date been effective? Has there been any duplication and coordination with other technical assistance support being provided to MoPW?
3.5 On R4D capacity development: to what extent the MoPW has institutionalizing the support provided by R4D to date including ensuring that practices and procedures are embedded within the MoPW.
4. Efficiency of resource use
4.1 Have resources (funds, human resources, time, expertise etc.) been allocated strategically to achieve immediate objectives?
4.2 Have resources been used efficiently and cost-effective for each component? In general, do the results achieved justify the cost incurred? Could the same results be attained with fewer resources? Do the selected implementing partners provide good value for money in delivering services?
4.3 Have the funds and activities been delivered in a timely manner? If not, what were bottlenecks encountered?
5. Effectiveness of management arrangements
5.1 Does R4D program management facilitate good results and efficient delivery? Is there a clear understanding of roles and responsibilities by all parties involved including among R4D team? Does the management team have adequate expertise to deliver the planned interventions including gender expertise? Was technical expertise and administrative support sought and received appropriately from relevant ILO units e.g. ILO Country Office for Indonesia and Timor Leste, DWT-Bangkok, and ROAP?
5.2 How effectively does the R4D program management in monitoring program performance and results? <ul style="list-style-type: none"> - Is information being regularly analysed to feed into management decisions? To what extent is monitoring information used to facilitate the delivery of technical and operational assistance of program partners?
5.3 Assess the current feasibility/ viability of an establishment of the Program Steering Committee as per the original design in supporting the implementation of the R4D program; and explore the functioning of the Rural Road Working Group (RRWG) in becoming a platform for providing strategic engagement with all key stakeholders of rural road sectors in Timor Leste? How effective is communication among the ILO, GoTL, and DFAT; and among the implementing partners and other key stakeholders in rural road sector?
6. Cross-cutting issues e.g. i) Gender mainstreaming; ii) poverty –alleviation; iii)labour standard; iv) workers’ educations, tripartism and social dialogues
7.1 To what extent R4D program address the above cross-cutting issues. Are the workers and employers’ organizations involved in the design and implementation of the R4D programme? Has

and to what extent the ILO labour standards and tripartism principles been mainstreamed in the area of rural road works?

Annex 2: All relevant ILO evaluation guidelines and standard templates

Annex 3: key documents to review

- R4D Project Document
- R4D Progress reports and work plans
- Logical Framework and M&E Framework
- M&E plan and baseline reports
- Independent Monitoring Group (IMG) Review Report (March 2014 and Feb 2014)
- Capacity Development Strategy and plan
- Training plan
- Quality assurance and quality control guidelines
- DFAT/Australian Aid Performance and Quality Standards
- ILO Decent Work Country Programme (2009-2013)
- ILO Timor Leste DWCP review report (2013)
- Strategic Planning Agreement for Development between the Government of Timor Leste and the Government of Australia
- GoTL reports
 - MoPW 5 Years Action Plan – in particular for rural roads
 - National Strategic Development Plan 2011-2030
 - MoPW documents/information related to HR development strategy, plan and budget

Attachment 2: MTR Evaluation Plan

Draft Evaluation Plan

Mid-Term Review

September 2014

Roads for Development (R4D) Program

Abbreviations

ADN	National Development Agency
AES	Australasian Evaluation Society
CDTS	Capacity Development and Training Specialist
DA	District Administrations
DFAT	Department of Foreign Affairs and Trade – Australian Aid
DRBFC	Directorate of Roads, Bridges and Flood Control
EMC	Evaluation Management Committee
GoA	Government of Australia
GoTL	Government of Timor-Leste
ILO	International Labour Organization
MTR	Independent Monitoring Group
M&E	Monitoring and Evaluation
MoPW	Ministry of Public Works
PDD	Project Design Document
R4D	Roads for Development
RRES	Rural Roads Engineering Specialist
SDP	Strategic Development Plan
SoS	Secretary of State
ToR	Terms of Reference

1. Mid-Term Review summary

The Mid-Term Review (MTR) of the Roads for Development (R4D) is an independent assessment of the program's progress towards defined objectives and outcomes. This MTR provides an opportunity for the recommendation of practical guidance and associated measures to address strategic and operational issues influencing program performance since its commencement. The evaluation plan outlined below provides a structured plan and approach to completing the review. The MTR builds upon the experiences, lessons learned and the traction gained following earlier IMG reviews completed in March and December 2013.

The MTR will complete an initial document review and consult with a broad range of stakeholders through direct interviews, observations and assessments during a 21-day in-country mission. In addition to a document review and interviews with key stakeholders, the review will include up to two small case studies of District Administrations (DA) where provincial road works are being implemented. Ideally these studies will build upon the studies contained previous IMG reviews; however, if not practical or appropriate, two new sites will be identified. The final number and scope of the studies will be discussed with the in-country Department of Foreign Affairs and Trade – Australian Aid team (DFAT). The studies will look at physical works as well as capacity issues (i.e. contractors) as part of the broader review process. The MTR is envisaged as a collaborative and mutually beneficial process targeted at (where appropriate) enhancing program performance for the benefit of all stakeholders, namely the people of Timor-Leste.

2. Background

The purpose of this document is to outline the approach and methodology to complete the MTR. The plan has been prepared by the MTR team following respective document reviews and initial discussions amongst the team. The document is in response to the MTR Terms of Reference (ToR) of 14 August 2014 and other background reading documents. Input and comments have been provided and incorporated from the International Labour Organisation (ILO) and DFAT into the review plan.

The Government of Timor-Leste (GoTL) is committed to the development and improvement of rural livelihoods and poverty reduction through strengthening the quantity and quality of infrastructure. The rural road network is an essential element in connecting Timor-Leste with economic growth and leverage opportunities. The road network includes 1,426km of national roads, 869km of district roads, 716km of urban roads and approximately 3,000km of rural roads. Estimations of the rural road network indicate that 80% of the network in Timor-Leste is in poor condition. Key factors in the deterioration of the road network are the combination of natural erosion due to seasonal and extreme weather events, limited budget allocation and investment, an ad hoc maintenance and rehabilitation program, and technical and organisational capacity constraints, including procurement.

The GoTL has established targets for rural roads in the Program of the Fifth Constitutional Government 2012-2017, the Timor-Leste Strategic Development Plan 2011-2030 (SDP), and the Strategic Planning Agreement for Development between the GoTL and DFAT.

The Roads for Development (R4D) program has been designed to support rural road development, rehabilitation and maintenance (in accordance with the strategic framework outlined above). R4D combines direct investments in rural roads with technical support and capacity building for the GoTL budgeting, planning and management of rural roads.

R4D builds upon previous donor-funded road programs (e.g. TIM-Works) and was officially endorsed by the GoTL, Government of Australia (GoA) through DFAT and the ILO during a launching ceremony on 29 March 2012 in Dili. The program started officially on 1 May 2012.

R4D is implemented by the Ministry of Public Works (MoPW) with financial assistance from DFAT and technical assistance from ILO. The direct counterpart agency is the Directorate of Roads, Bridges and Flood Control (DRBFC) within MoPW. DFAT is contributing AUD30 million over a period of four years (from commencement date). This contribution includes AUD13.2 million for capital investments and the remaining funds for inputs related to capacity building (including staffing inputs, the procurement of equipment, co-sponsoring GoTL staff, M&E, operations and backstopping support). The Project Design Document (PDD) for R4D recommends a GoTL capital investment of USD20.6 million including USD18.6 million for R4D rural road works and a contribution of USD2 million for increased staff resources over four years to complement the DFAT contribution. This MTR will look closely at the level and continuity of GoTL investments as per the PDD, R4D workplan and MoPW budget and workplan for rural roads.

The development objective of R4D is that *women and men in rural Timor-Leste are deriving social and economic benefits from improved road access*. Its immediate objective is that *the GoTL is more effectively planning, budgeting and managing rural road works using labour based methods, as appropriate*. R4D's objectives will be pursued by a combined strategy of *direct investments in rural road works and supporting GoTL to plan, budget and manage rural road works*. R4D is currently designed for four years, but acknowledging that identified capacity constraints will require an 8-year time horizon to achieve objectives.

R4D is supported by three defined outcomes:

- MPW is effectively planning, budgeting and delivering rural road works using labour-based methods as appropriate.
- Local civil works contractors are more effectively implementing investments in rural road works using labour-based methods as appropriate.
- Rural road development adequately resources and planning and implementation of investments effectively coordinated between concerned Government agencies and (donor) projects.

The combined investment of GoTL and DFAT is envisaged over a 4-year period to result in the following key outputs:

- the rehabilitation of 400 km of rural roads
- periodic maintenance completed for 700 km of rural roads
- routine maintenance completed for 1,150 km of rural roads
- approximately 500,000 worker days contracted.

Principal envisaged outputs of R4D include:

- a *Rural Roads Master Plan*, including but not limited to protocols for: data collection, drafting, approval, socialisation/communication, monitoring, gender mainstreaming and review
- an established and effectively functional and transparent and practical procurement system

- an established, institutionalised and effectively operational quality control & quality assurance system for rural road works.
- *Environmental and Social Safeguards Frameworks* (including gender equality strategy) and operational plans
- an established and operational *Knowledge Management Unit (KMU)* or KM functionality within DRBFC to facilitate assessments of progress in relation to the Master Plan, and more broadly to promote a performance culture and gender equality within DRBFC
- constructed, rehabilitated and maintained rural roads, with short-term job opportunities created during the implementation of the works.

As part of R4D's overarching Monitoring and Evaluation (M&E) approach, joint GoTL/DFAT/ILO Independent Monitoring Group (IMG) annual reviews are proposed. The IMG reviews are designed to provide independent feedback and guidance to ensure the continued relevance and performance of R4D in a changing context. To date there have been two IMG reviews (March and December 2013). This MTR will draw upon the findings, conclusions and recommendations of these reviews in shaping opinions and discussions for this current review.

3. Summary of R4D progress to date - key points

Since the last IMG review in March and December 2013, R4D has made solid progress towards its stated objectives and outcomes. The MTR team acknowledge the progress achieved to date. Specifically the MTR note the following:

- Survey designs, cost estimations and tender packaging are complete for 2014 works and contracts have been awarded.
- Maintenance and rehabilitation contracts for 2014 covering 14 roads across 7 districts have been tendered and evaluated - valued at US\$10.6million (covering 30 roads with a total length of 132km).
- For planned 2015 works (USD 20.7 million, covering 13 districts) a majority of surveys, designs and cost-estimates have been completed.
- Life cycle costing analysis and standards for the use of robust surface treatments has been developed.
- An assessment and analysis of R4D capacity building activities has been completed (including contractor tracer study).
- Support is being provided to MoPW in areas of planning, design and tendering.
- R4D M&E plan and framework has recently been updated and all associated training modules modified.

The MTR team is also aware of a number of constraints that continue to influence R4D implementation and management. These issues will be considered and explored in more detail during the in-country mission. Specific emphasis will be placed upon: MoPW financial commitments moving forward into 2015, MoPW staff shortages and associated capacity constraints; capacity constraints and quality of contractors involved in the labour-based approach; acceleration of costs associated with road rehabilitation and maintenance from the commencement of the program; and external influences such as weather and external stakeholders (e.g. National Development Agency (ADN) and certification).

4. Policy and context for Australia and the ILO's involvement in infrastructure in Timor-Leste

The *Program of the Fifth Constitutional Government 2012-2017* provides an overall framework for the development of Timor-Leste that includes infrastructure development as a key pillar.

Improving infrastructure is a key objective of the *Australia Timor-Leste Country Strategy 2009-2014*. A key priority for the GoA in the strategy is to build local capacities so that people are able to address the development issues that confront Timor-Leste.

Australian priorities for development support in Timor-Leste are outlined in the *Strategic Planning Agreement for Development (Nov 2011)* which details the support provided to the roads sector consistent with the SDP.

R4D aligns with the *Timor-Leste Strategic Development Plan 2011-2030* which targets the rehabilitation of all rural roads by 2015 to minimum standard using locally based contractors⁸. Consistent with SDP targets, R4D is supporting the completion of a Rural Roads Master Plan that will set out a program for the rehabilitation of rural roads and will contribute to annual road condition monitoring surveys on all improved roads to determine maintenance needs.

The MoPW Five-Year Action Plan is linked to the Timor-Leste Strategic Development Plan and outlines a strategy to improve the road network. By the end of 2017, the MoPW aims to have 1,270 km of priority roads in good condition and being maintained. The MoPW also aims through the plan to have a workforce with adequate capacity to implement and maintain the roadwork program.

The DWCP 2008-2013, in which R4D forms an important element, has been drawn up in the light of the ILO Declaration on Social Justice for a Fair Globalization. That declaration adopted four strategic objectives, which are considered inseparable, interrelated, and mutually supportive:

- Promoting employment by creating a sustainable institutional and economic environment
- Developing and enhancing measures of social protection which are sustainable and adapted to national circumstances
- Promoting social dialogue and tripartism
- Respecting, promoting and realizing the fundamental principles and rights at work

5. Purpose of the MTR

The primary purpose of the MTR is to assess the continued relevance of R4D interventions and the progress made towards achieving its planned objectives.

The MTR provides an opportunity to make modifications to ensure the achievement of these objectives within the lifetime of the project. In addition the MTR provides an opportunity to ascertain the interventions are still coherent and useful to key stakeholders particularly the GoTL, coherent to DFAT and ILO's strategic objectives and to assess whether the interventions are being conducted in an efficient manner as per DFAT and ILO standards and the agreed project document. The MTR will also provide recommendation regarding the possible second phase of R4D.

The MTR team acknowledges the changing policy environment within Australia with a greater focus and attention on Private Sector Development. While R4D will be assessed in terms of its pre-defined M&E Framework, it would be strategic for the MTR to consider R4D's contribution to supporting elements of economic growth and how investments are leveraging investment in infrastructure. The intent of these considerations is to ensure R4D is aligned with the new DFAT Aid Development Policy and Performance Framework *Australian Aid: Promoting prosperity, reducing poverty and enhancing*

⁸ Some stakeholders have indicated this time scale might be overly ambitious and a 10-year time horizon may be more realistic and appropriate.

stability."

In light of this overarching policy framework, the MTR will focus on the following five key evaluation questions:

- To what extent has the program made appropriate choices about the use of labour-based approaches?
- To what extent is the program contributing to the effective use of contractors within MPW? What factors may limit the local industry?
- How appropriate are R4D's capacity building approaches with the Ministry of Public Works? To what extent are we making adequate progress toward achieving outcomes 1 and 3 (intermediate outcomes and results)?
- How has GoTL ownership evolved over the past two-years? Has the support been adequate and appropriate? What constraints is GoTL facing in terms of budget and human resource allocations? What alternative strategies are recommended to improve progress?
- What are the implications of GoTL's emerging decentralization agenda for the rural roads sectors? How can R4D respond to these? Are there any other major changes in the context that require adjustments from the program?

Attachment A provides a framework for the outline of key evaluation and sub-evaluation questions.

7. Clients/Primary audience

The primary users of the MTR report will be DFAT's Timor-Leste infrastructure team in Dili and Canberra and the ILO Regional Office for Asia and the Pacific and Country Office in Dili, and Jakarta. Secondary users of the report will include DRBFC, MoPW, broader DFAT, ILO Timor-Leste program teams and other donors working in the infrastructure sector.

The MTR report will provide analysis to inform management decisions surrounding strategic and operational direction including program performance and will contain recommendations tailored to respective stakeholder groups.

8. MTR review questions

The priority focus of the MTR is to collect data and evidence against the five key evaluation questions (outlined in Section 5). Attachment A provides a detailed breakdown of ToR questions and includes additional secondary questions that can be considered. Effort has been made to reflect questions posed by both DFAT and the ILO and to integrate an approach that generates sufficient data and information to ensure reliable and valid responses. Flexibility remains within the plan to consider additional questions should the need arise.

The MTR will draw upon the UN System Evaluation Norms and Standards and, where appropriate, apply the OECD/DAC Evaluation Standards (relevance effectiveness, efficiency and sustainability) where appropriate. DFAT's Evaluation Capacity Building Program will also guide the evaluation, particularly in the preparation of the mid-term report. Specific documents to be used for reference include: Monitoring and Evaluation Standards (2014) and the ILO Policy Guidelines for Results-Based Evaluation (2012).

9. Methodology

The methodology will involve a review of relevant documentation (Attachment C provides a list of documents reviewed to date), interviews with selected stakeholders (Attachment D) and a site visit to pre-determined locations in the field (Attachment E).

The main priority is the collection of data and information to address the evaluation questions presented in Attachment A. The questions have a number of sub-evaluation (or secondary) questions that enable the MTR team to further explore and consider aspects of R4D in greater detail.

The first step in the process is a desk review to analyse project documents, progress reports and IMG reports. The MTR team may identify a number of key findings and issues, which can be added to the Evaluation Framework (Attachment A).

The methodology for the MTR follows the approach utilised in previous IMG reviews and will be primarily *qualitative* with open-ended/semi-structured interviews and group discussions to address the reviews questions posed in the previous section.

Where possible quantitative data will be included in the report to demonstrate progress towards outputs and outcomes. This will be sourced from the R4D Monitoring and Information System (MIS) and M&E system and associated progress reports. This provides a level of triangulation in findings. The MTR team may also draw upon the data and analysis collected to date around tracer studies and community impact assessments. The MTR will crosscheck the information obtained to secure that the information has a high degree reliability and accuracy.

The evaluation team will consult with representatives of Government Agencies, DFAT, ILO, and R4D project staff in all districts, local authorities, contractors and beneficiaries.

The primary methodology will be open-ended semi-structured interviews. Questions will be based upon Attachment A The MTR team is utilising a *purposeful sampling* approach whereby locations have already been identified that will provide a rich and reliable source of information. Flexibility is maintained that other sights may be selected for review and additional interviews scheduled. Data collection in sites will be limited to group interviews and discussions, but where possible and feasible, the MTR team may employ a methodology suited to focus group discussions, particularly in drilling down to key specific areas.

The criteria for the selection of sites includes:

- Locations that have been involved with R4D since the commencement of the program.
- Locations that have proactive and engaging District Officials who are currently involved (or have been recently involved) in the decentralisation process.
- Locations that offer rich sources of data (variety and difference).
- Locations that have operational contractors and labour-based workers, currently engaged on contracts.

DFAT and the R4D team have also held in-depth discussions with the MTR team leader regarding the selection of appropriate individuals to interview. Again the sample selection has been *purposeful* and, in most cases, matches the interview schedule of previous IMG missions. This provides a level of consistency in approach and enables comparisons to be made.

To complement the interview process up to two small case studies are proposed (subject to time availability and appropriateness) in two identified work sites operating under R4D (to be confirmed on the first day of the in-country mission). The purpose of these case studies is to provide insight into how the program is operating and performing at the field sites and to identify issues and

constraints that impede performance. The selection of two sites will allow for basic comparisons to identify common themes and issues that support findings from other aspects of the review (i.e. triangulate findings). The case studies will focus specifically on the following elements of the review questions:

- To what extent has contract performance and the use of labour-based approaches supported program implementation?
- What are the main challenges to program delivery from an operational perspective?
- What are the main capacity constraints inhibiting effective and efficient project implementation? Has the R4D training approach been effective to support road works implementation?
- To what extent has the private sector grown in terms of the establishment of a viable contracting model?
- How has governance and institutional arrangements (e.g. decentralisation) influenced or hindered progress in the district?

The methodology (semi-structured interviews, group discussions (including focus groups) and case studies) is selected so as to minimise inconvenience and to maximise time and resources to address the purpose of the MTR. Time is allocated in the schedule for daily summarising, review and consideration among the MTR team members. This is an important element in synthesising and analysing data and information and identifying areas for follow-up. Flexibility is also maintained in the methodology to refine the approach or consider new information or priorities that may emerge. Required and suggested refinements will be discussed immediately with DFAT/R4D team before proceeding.

In terms of data processing and analysis, the MTR team will consolidate notes and findings through internal discussions and agreements. The team will identify key trends and findings and prioritise results so as to ensure key points are raised, discussed and analysed. The Team Leader will facilitate this process and the team will meet daily to discuss pertinent findings and results and, if necessary, adjust schedules, revise questions and perhaps seek additional information or feedback.

Stakeholders will have the opportunity to comment on findings, conclusions, recommendations and lessons learned of this evaluation. The final report will reflect these comments and will acknowledge any substantive disagreements.

A Draft MTR Report Outline (based on ILOs Evaluation checklist 5) is presented in Attachment F.

10. Limitations and constraints of the MTR

All evaluations and reviews have limitations. The R4D program has been operating for just over two years. Contributions to longer-term outcomes remain tentative; however, the evidence from the progress reports and other program documentation indicate considerable progress has been made.

The MTR also recognises that efforts in capacity building are long-term in nature and that results derived at this stage may be minimal. However, the MTR team recognises that a capacity development plan has been prepared and a training program for MoPW and contractors has been in operation for the past 12-months. Flexibility should be maintained to identify areas and approaches that are positive and value add to the development context.

The team also need to be sensitive about the possibility that GoTL's financial and human resource commitments have not been met to date. Questions and information requests need to be carefully considered so as not to cause offence or embarrassment to the government. The team will consult with the R4D team and DFAT prior to meetings with senior GoTL officials.

Other key limitations for the MTR include:

Time and Resources: the rigour of the data gathering analysis will be constrained to some degree by the time available. The MTR team may not be in a position to meet with all key stakeholders, particularly for follow-up meetings and discussions.

List of questions: The ToR contains a significant number of questions that need to be prioritised and ranked. Given the limitation of time, some questions will need to be merged and perhaps considered as secondary questions.

Access to work sites: Travel to the field for case studies may also be impeded by weather, availability of stakeholders and time constraints.

Judgements: the time limitations mean that professional judgements will need to be employed to interpret stakeholder perspectives.

Attribution: R4D works in a fluid and dynamic environment and many factors influence performance and operational efficiency. Defining and identifying specific areas of attribution remain challenging at best.

Measurement of results: Organisational development and associated change remains "open" and challenging to articulate and define. There are no standardised indicators of measurement. This poses a significant challenge in attempting to measure change and providing a basis upon which to draw conclusions

11. Utilisation of the MTR findings

The review maintains a strong utilisation-focused approach, aimed at providing and presenting data that can lead to informed decision-making for possible future engagement.

The MTR is responsible to the Evaluation Management Committee (EMC) for all key findings and results. The MTR supports the joint management approach to the evaluation and will report regular updates to the EMC during the course of the in-country mission.

The MTR team will provide its initial findings through an Aide Memoire on the final day of the in-country visit. The first draft of the Aide Memoire will be provided to DFAT for review (to ensure it is suitable for distribution) prior to the final meeting.

A copy of the Aide Memoire will also be provided to DRBFC/MoPW and they will be invited to provide written comments so as to ensure views and opinions are incorporated into the draft MTR Report. If appropriate the MTR team could meet informally with ILO and DFAT to discuss findings and issues prior to the formal Aide Memoire meeting. Once the final MTR Report is accepted it will become a public document through DFAT's intranet and external website.

12. Ethical considerations

The MTR team will adhere to strict ethical standards during the course of the review. The members will adhere to the Australasian Evaluation Society's (AES) *Guidelines for the Ethical Conduct of Evaluations*. This MTR evaluation plan is the initial step in meeting the requirements of those

guidelines. The MTR team will also adhere to relevant ILO standards and guidelines outlined in the ToR.

The MTR will fully inform interview and group discussion participants of the purpose of the review and how the information will be used and to seek their approval to participate. If a person being interviewed is uncomfortable or unwilling to answer any question the MTR team will not pursue the line of questioning.

Finally, the MTR team will ensure their findings are discussed and presented in an accountable and transparent manner and ensure that all dealings with DRBFC/MoPW, DFAT and ILO are conducted in a professional and mutually respectful manner.

13. MTR allocation of tasks

The MTR team is responsible for data collection, analysis and reporting of findings against the review questions. The MTR team will comprise of a Team Leader, a Rural Road Engineer Specialist, a Capacity Development and Training Specialist, a GoTL representative and a DFAT representative who will also act as a technical roads specialist.

The Team Leader will assume responsibility for the completion of the MTR and delivery of all review products. The role will operate at a strategic level in terms of analysing information and data and its contribution to addressing the review questions. The focus will be on providing clear evidence of progress towards outputs and outcomes and realistic and relevant guidance to address constraints and issues. The Rural Road Engineer Specialist (RRES) will focus more on the engineering, planning, costing, technical, institutional and capacity issues of proposed construction works and maintenance regimes including social and environmental mitigation measures. The role will also be responsible for the preparation of relevant case studies. The Capacity Development and Training Specialist (CDTS) will be primarily responsible for an assessment of the R4D institutional capacity building approach.

On the first day of the mission in-country the MTR team will allocate responsibility for specific questions. The breakdown of tasks is better discussed in person upon arrival. Specific responsibilities of respective team members are detailed below:

Team Leader/M&E Specialist - Mr Ty Morrissey

Develop and finalise the MTR evaluation plan; lead the in-country mission; interface between DFAT, ILO and MoPW; prepare, finalise and present an Aide Memoire; coordinate and support the infrastructure expert; prepare and finalise the MTR report; address any comments or issues from DFAT, ILO and GoTL.

Rural Road Engineer Specialist (RRES)- Mr Charles Melhuish

Assist the Team Leader in the collection and processing of information and provision of recommendations for the future direction of the program, specifically in the areas of road engineering. The RRES will assess the technical, institutional and capacity issues surrounding R4D including the effectiveness and efficiency of labour-based approaches. The RRES will also assess the technical, institutional and capacity issues of proposed 2015 construction works and maintenance regimes including social and environmental mitigation measures as appropriate.

Capacity Development and Training Specialist (CDTS) - Mr. Kaj Thorndahl

The CDTS will provide specialised inputs to the team leader following an assessment of the institutional capacity framework and associated training delivery. The CDTS will also assess the quality, reach and efficiency of the labour-based training approach and provide an assessment of contractor training and support.

A GoTL representative - TBA

Provide strategic perspective and contextual knowledge on the rural roads sector; advise on the appropriate people for the team to meet; attended interviews as agreed with the Team Leader; assist in preparation and presentation of the Aide Memoire and accompany the two consultants.

DFAT Representative - Mr Mark Barrett, Senior Sector Specialist, Infrastructure Section.

Provide a strategic perspective from DFAT's perspective and also support the RRES with an assessment of the quality and efficiency of the road program to date.

For reporting, all MTR team members will contribute to the development of the Aide Memoire and draft MTR review report. Report formats will be discussed and agreed with DFAT during the in-country mission and will adhere to *Australian Aid M&E Standards*.

14. Work schedule

The table below provides an outline of the allocation of days for both MTR members for the document review, in-country mission and subsequent report preparation.

Date	Activities	Location
April 2014	Evaluation Management Committee	Dili
May 2014	Distribution of draft MTR ToR	Dili
July 2014	Finalisation and approval of the MTR ToR	Dili
July 2014	Selection of the MTR Team	Dili
22 August 2014	Initial brief and introduction to ILO guidelines	Dili/Jakarta
3 September 2014	Evaluation Plan/Inception Report Submitted	Various
1-4 September 2014	R4D Document Review	Home Base
5 September 2014	ILO Briefing Meeting	Jakarta
7 September 2014	Travel to Dili	Various
8-26 September 2014	Evaluation Mission and Aide Memoire Presentation	Dili and Sites
29 September 2014	ILO Debriefing Meeting	Jakarta

1-9 October 2014	MTR Report Preparation	Home Base
10 October 2014	Draft Final Report Submitted for Comment	Dili
Within 5 working days receiving comments from DFAT, ILO and MoPW	Amendments to draft report Submission of Final MTR Review Report	Home base

A draft in-country meeting program for the period 8-26 September 2014 has also been supplied and is currently being updated by DFAT and ILO.

15. Persons to be interviewed

The people to be interviewed have been selected jointly by the R4D team, DFAT and ILO. The list represents a cross section of key stakeholders involved in the R4D program both directly and indirectly. In many cases, the people to be consulted are familiar with the team having been consulted during previous IMG Review missions. It is hoped that stakeholders have a greater appreciation and insight on the R4D program having been involved for just over two years. Their insights, opinions and views are critical in assisting the MTR team formulate and consolidate guidance, conclusions and recommendations. A list of stakeholders to be interviewed is included in Attachment D.

16. Proposed field visits to be undertaken

DFAT has provided the schedule of the in-country mission. It includes field visits to districts including: Oecusse, Baucau & Lospalos. The MTR team are awaiting final confirmation and further details. Please refer to Attachment E for more details.

Attachment A: Draft MTR Evaluation Framework

MTR Primary Questions	ToR Mid-Term Review Questions	Additional Secondary Questions	Data and Information Sources and Meetings
Evaluation Question 1	To what extent has the program made appropriate choices about the use of labour-based approaches?	<p>Are the MPW and partners satisfied with the quality of tools, technical advice, training, and other activities delivered by the program?</p> <p>To what extent is the MPW supporting the labour-based approach is supported (including ensuring that practices and procedures are embedded within the MPW).</p> <p>To what extent R4D program address the above cross-cutting issues. Are the workers and employers' organizations involved in the design and implementation of the R4D program? Has and to what extent the ILO labour standards and tripartism principles been mainstreamed in the area of rural road works?</p>	<p>Document review</p> <p>MPW and District Officials interviews</p> <p>Interviews with local contractors and regional engineers</p> <p>Case Studies of regional sites</p>
Evaluation Question 2	To what extent is the program contributing to the effective use of contractors within MPW? What factors may limit the local industry?	Does the current implementation model promote sustainability? What other modalities and approaches are required (or are in need of consideration)?	<p>MPW, ADN, DFAT, R4D</p> <p>District Officials</p> <p>Contractors/regional engineers</p>
Evaluation Question 3	How appropriate are R4D's capacity building approaches with the Ministry of Public Works? To what extent are we making adequate progress toward achieving outcomes 1 and 3 (intermediate outcomes and results)?	<p>Is the R4D program design (objectives, strategies, outputs, activities) still relevant to the situation on the ground? Does the design need to be modified in the second half of the project? (Relevance)</p> <p>What progress has been made towards achieving the defined outcomes? How is the program contributing to achieving the GoTL priority and national development plan, DFAT's plan, and relevant ILO DWCP outcomes? What are the main constraints, problems, and areas in need of further attention both internal and external? (Effectiveness)</p> <p>To what extent the MPW has institutionalizing the support provided by R4D to date including ensuring that practices and procedures are</p>	<p>MoUs between ILO and MPW particularly on the provision of MPW personnel (both at national and at regions/districts levels) whether these will be realised,</p> <p>Institutional support (support to Rural Master Plan and capacity development approach)</p>

		embedded within the MPW	
Evaluation Question 4	How has GoTL ownership evolved over the past two-years? Has the support been adequate and appropriate? What constraints is GoTL facing in terms of budget and human resource allocations? What alternatives strategies are recommended to improve progress?	<p>Does the R4D program address the stakeholders' needs and priorities? Is R4D intervention still coherent and useful to key stakeholders particularly the GoTL priorities, coherent to DFAT and ILO DWCP and its strategic objectives? (Relevance)</p> <p>Does R4D program management facilitate good results and efficient delivery? Have resources (funds, human resources, time, expertise etc.) been allocated strategically to achieve immediate objectives? (Efficiency)</p> <p>Has the Project (on its own and through its partnership with GoTL identified opportunities for it to be scaled up? If so, how should future Project objectives and strategies be adjusted? (Sustainability)</p>	<p>MPW contributions (financial)</p> <p>Document review (financial policy and strategic)</p> <p>Interviews with central and district officials</p> <p>Consultations with R4D team</p>
Evaluation Question 5	What are the implications of GoTL's emerging decentralization agenda for the rural roads sectors? How can R4D respond to these? Are there any other major changes in the context that require adjustments from the program?	<p>To what extent has the decentralisation agenda influenced program outputs and outcomes and R4D's strategy to engagement?</p> <p>How effective is communication among the ILO, GoTL, and DFAT; and among the implementing partners and other key stakeholders in rural road sector? (Management arrangements)</p> <p>Is there a clear understanding of roles and responsibilities by all parties involved including among R4D team? Was technical expertise and administrative support sought and received appropriately from relevant ILO units e.g. ILO Country Office for Indonesia and Timor-Leste, DWT-Bangkok, and ROAP?</p>	<p>Review and assessment of the legal, strategic and operational context (including and assessment of appropriate documentation).</p> <p>Interviews with central and district officials?</p> <p>Case study method and approach</p>

Attachment B: R4D Monitoring and Evaluation Framework

DESCRIPTION	KEY PERFORMANCE INDICATORS	MEANS OF VERIFICATION	RISKS AND ASSUMPTION
GOAL Women and men in rural Timor-Leste are deriving social and economic benefits from improved road access	# of road users who have access to improved year-round motorable rural roads as a result of R4D	Impact studies	No major destabilizing social, economic or political crisis
	% change in travel times for the transportation of people, goods and services to economic and social facilities and services along R4D roads	Annual IMG reviews	No major natural disasters
	% change in transportation costs for the transportation of people, goods and services along R4D	Mid-term and final evaluation	Rural road infrastructure development and rural development remain key priority for GoTL
	% change in volume of movement of people, goods and services along R4D roads		Sufficiently conducive environment to stimulate local rural development
	% change in availability/use of economic assets/services and social facilities/ services by local communities using the R4D roads		
	Economic benefits for local construction workers due to R4D wage cash transfers to these workers		
	% change in local economic businesses in terms of establishment of new businesses and increase in turn-over of existing businesses		

	KEY PERFORMANCE INDICATORS		
	1.1 ORGANIZATIONAL STRUCTURE: Functional MoPW organizational structure and knowledge management for the planning and delivery of investments in rural road works operational		
	1.2 STAFFING: MoPW staff assigned as per HR capacity development plan for planning, budgeting, design, contracting, implementation, reporting and monitoring of investments in rural roads		
	1.3 PLANNING: MoPW annual rural road investment plans for R4D road works approved in accordance with time-frame of GoTL annual budget cycle, on the basis of Annual Master Plan), and according to MoPW 5-year investment Action Plan/R4D Investment Plan		
	1.4 BUDGETING & RESOURCE MOBILIZATION: GoTL's approval of MoPW annual budget for R4D/other programs for rural road investments (incl. budget for capital investments, recurrent costs and HR development) according to MoPW/R4D Investment Plan		
	1.5 SURVEYING, DESIGNING AND COST-ESTIMATION: Detailed technical surveys, designs and cost-estimates completed by MoPW and approved in time, as per specifications and in accordance with annual MoPW investment plan for rural		

	roads		
	1.6 PROCUREMENT & IMPLEMENTATION: Procurement and implementation of capital investments in rural road works done by MoPW in accordance with the MoPW/R4D annual investment, procurement and implementation plan, and following approved specifications, standards, procedures and work methods.		
	2.1 INCREASE IN BUSINESS TURNOVER: R4D trained contractors show an increase in their yearly business turnover after the completion of their initial R4D contracts (annual targets: 2014: 10%; 2015: 20%)		
	2.2 IMPROVED QUALITY TENDERS: At least 2 tender-compliant bids received from local civil works contractors for #% of R4D tendered rural road works contract packages (2013: 65%; 2014: 70%; 2015: 75%)		
	2.3 QUALITY OF DELIVERY OF INITIAL R4D CONTRACTS: X% of the value of the awarded contract packages delivered by contractors in time, within budget and as per specifications (annual targets: 2013: 60%; 2014: 70%; 2015: 80%)		
	2.4 IMPROVEMENT IN SUBSEQUENT WORK QUALITY INDICATORS: Subsequent work done by contractors after completion of initial R4D contracts do – on average – not show more than #% defects (in terms of USD value of initial capital investments) attributable to poor workmanship (target: 2014:		

	20%; 2015: 15%).		
	3.1 UNIFORM APPROACHES: Concerned agencies and projects have access to and apply uniform guidelines, criteria, procedures, standards, specifications, and the MoPW/R4D Rural Roads Master Plan and work methods in the planning, design and implementation of rural road investments.		
	3.2 COORDINATION: Effective coordination mechanisms in place between the concerned agencies and projects involved in the planning and delivery of investments in rural road works, including a functional Program Steering Committee (PSC) for rural roads development.		
	3.3 EFFECTIVE DELINEATION OF ROLES AND RESPONSIBILITIES OF CONCERNED GOVERNMENT AGENCIES: Roles/responsibilities of concerned Government agencies involved in planning and delivery of rural road investments clearly distinguished and do not overlap		
	3.4 ADEQUATE INVESTMENT BUDGET AVAILABLE: Adequate investment budget available from GoTL for MoPW and other concerned government agencies for planning and delivery of investments in rural road works, in accordance with Rural Road Master Plan (which will include recommendations for optimum annual investments levels)		
OUTPUTS AND OUTPUT INDICATORS		MEANS OF VERIFICATION	RISKS & ASSUMPTIONS

Output 1.1: Capacity development and implementation support delivered to MoPW for more effective planning, budgeting and delivery of investments in rural road works

Comprehensive capacity development strategy and plan prepared for the development of MoPW's institutional, organizational and staffing capacities (including additional staff recruitment) that are required for the planning and delivery of investments in rural roads

Capacity development activities delivered in accordance with the capacity development strategy and plan

Functional office facilities, equipment and transportation delivered that are required for the planning, budgeting, implementation, quality control and monitoring of investments in rural road works, and operational support provided

Systems developed¹⁰ and implementation support delivered for the preparation of investment plans, technical surveys, budgets, work plans, designs, cost-estimates, tenders, contracts, implementation/supervision, quality control, reporting, monitoring and coordination of investments in rural road works

R4D 6-monthly progress reports
Annual IMG reviews
Mid-term and final evaluation
Completion report

MoPW committed to include functionalities and staff resources for planning and delivering of investments in rural roads in its organizational structure

Sufficient resources available in MoPW for HR development and recurrent budget requirements

MoPW committed to capacity development and adaptation of systems for planning and delivery of rural road investments

Output 1.2: Activities undertaken to advocate for MoPW's endorsement and implementation of the proposed organization structure, capacity development plans, planning & delivery systems, and supporting facilities/equipment

Advocacy strategy and plan prepared and implemented to advocate for MoPW's endorsement and implementation/application of the proposed organizational structure, the capacity development plan, planning & delivery systems, and supporting facilities/equipment – including required financial resources

R4D 6-monthly progress reports
Annual IMG reviews
Mid-term and final evaluation
Completion report

Interest and commitment in MoPW to develop its capacities for planning and delivery of investments in rural road works

¹⁰ Among others, GIS, contract management database, Environmental and Social Safeguards Frameworks (ESF and SSF)

Output 1.3: R4D capital investments in the construction, rehabilitation and maintenance of rural works effectively delivered, as per GoTL/DFAT/ILO Agreement for R4D, using labour-based work methods where appropriate.

Capital investments delivered with TA from the ILO for the construction of the rehabilitation of 393 km of rural roads, periodic maintenance of 260 km of rural roads and the routine maintenance of 301 km of rural roads ¹¹ , as per specifications and within budget	R4D 6-monthly progress reports Annual IMG reviews Mid-term and final evaluation Completion report	Sufficient interest and capacities local contractors Additional funding from DFAT and GoTL/MoPW to achieve physical targets ¹ Sufficient interest among the local communities to engage as construction workers No natural disasters or unexpected extreme rainfall
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Output 2.1: Capacities of local civil works contractors developed for the implementation of R4D investments in rural road works, using labour-based methods as appropriate

Capacity development strategy and plan prepared and implemented for the training of local civil works contractors for the implementation of rural road works, using labour-based work methods where appropriate Trained Contractors effectively apply the skills they acquired in the executing of their R4D contracts and benefit from these skills in terms of increased business opportunities	R4D 6-monthly progress reports Annual IMG reviews Mid-term and final evaluation Completion report	Sufficient numbers of pre-qualified local contractors available and interested to bid for R4D works Sufficient capacities available at ERA, and the Don Bosco and IADE training providers to provide the required technical and managerial training support of contractors
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Output 3.1: R4D strategies, standards, plans, specifications and work methods for the planning and delivery of investments in rural road works through local civil works contractors (using labour-based work methods where appropriate) are shared with involved key Government agencies, donors and projects

Knowledge management and communication strategy	R4D 6-monthly progress reports	Sufficient receptiveness, political willingness and capacity
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¹¹ Whereas the R4D Project Document assumed that average costs for the rehabilitation of 1 km of rural roads would be US\$ 50,000, actual average costs per km for the first batch of 46 contract packages for rural road rehabilitation works show that costs per km are almost US\$ 100,000. This cost-increase is due to the increase in labour wages since the design of R4D, the inclusion of bioengineering works and provisions for the costs of social safeguards in the designs, the provision of more drainage structures in the designs than originally envisaged, and an increase of local construction materials since the preparation of the Project Document. Due to this cost increase it will only be possible to retain the original physical targets (40 km of new rural road construction, 450 km of rural road rehabilitation and 1,100 km of rural road maintenance) if GoTL allocates more funds to R4D than originally planned. In addition DFAT's contingency funds for R4D can possibly be used.

developed and implemented regarding sharing information with concerned Government agencies, donors and projects about R4D's developed policies/strategies, standards, plans, specifications and work methods	Annual IMG reviews Mid-term and final evaluation Completion report	among stakeholders Sufficient support within MoPW for information sharing and dissemination to other stakeholders
Output 3.2: The application of R4D strategies, plans, specifications and work methods for the planning and delivery of investments in rural road works is promoted among involved key Government agencies, donors and projects		
Advocacy strategy and work plan developed and implemented for the promotion of the use of R4D developed systems, plans, specifications and work methods by concerned Government agencies, donors and projects	R4D 6-monthly progress reports Annual IMG reviews Mid-term and final evaluation Completion report	Sufficient commitment in MoPW to support advocacy activities Sufficient receptiveness among Government agencies, donors and projects about R4D strategies, plans, specifications, etc.
Output 3.3: Advocacy activities undertaken among key Government decision makers with regards to the need for adequate resourcing and effective channelling of investments for the construction, rehabilitation and maintenance of rural roads in Timor-Leste		
Advocacy strategy and plan developed and implemented to promote the allocation of adequate GoTL resources for rural road investments and the effective channelling of these resources	R4D 6-monthly progress reports Annual IMG reviews Mid-term and final evaluation Completion report	Sufficient commitment within MoPW to support advocacy activities Sufficient receptiveness among Government decision makers with regards to R4D advocacy activities

Attachment C: List of Documents Consulted

Author	Date	Title	Content
GoTL	2012	Program of the Firth Constitutional Government 2012-2017 Legislature	Broad strategic framework Development Priorities
GoTL	2011	Timor-Leste Strategic Development Plan 2011-2030	Identifies short-term needs while establishing basis for long-term growth Covers a range of priority areas for GoTL
GoTL/GoA	2011	Strategic Planning Agreement for Development Between The Government of Timor-Leste and the Government of Australia	Broad objectives and principles. Development priorities and shared vision for assistance and commitment (2012-2015)
DFAT	2011	Roads for Development (R4D) Project Document	Outline of the R4D program - goal, objectives (outcomes) and outputs Details proposed approach - physical works and capacity building Partnership and management arrangements.
ILO	2012	2nd 6-monthly report	Progress results for the reporting period (1 July 2012-31 December 2012)
DFAT	2012	Independent Completion Report - ITA - ADB	Review and validation of results derived from the program Key lessons to inform AusAID's future programs
DFAT	2012	TIM Works - Final Report (TIM/10/M50/AUS)	Details achievements against results framework (physical works, employment, capacity and policy) Brief impact assessment
DFAT/ILO	2011	TIM Works - Impact Study	External impact study of the TIM Works program.

			Outline of qualitative approach to study Includes sample interview forms and presentation of results.
DFAT	2012	TIM Works - Final Evaluation Report	External review of the TIM Works Final Report Relevance, Effectiveness, Efficiency, Sustainability Conclusions and Recommendations Lessons
DFAT	2013	M&E Evaluation Standards and Guidelines	How to prepare and evaluation plan How to prepare an evaluation report
MPW	2012	MPW - 5 Years Action Plan 2013-2017 Rural Roads Sub-Sector	Summary Outline with associated costings for road rehabilitation and maintenance.
ILO	2012	R4D Summary Presentation (PowerPoint)	Outline and overview of R4D Program.
ILO	2012	Skills Assessment Report - MPW Supervisors and Assistant Supervisors	Capacity assessment of 29 staff at MPW.
ILO	2012	Report on Bioengineering Workshop	Summary of workshop
ILO	2012	Report on Environmental Safeguards Framework (ESF) Workshop	Summary of workshop
ILO	2012	Environmental Safeguards Framework (Report 5)	Comprehensive outline, strategy and associated tools for environmental management, assessments and safeguards implementation.
ILO	2013	R4D Bid Documents Volume 1	Template and outline of contracts, schedules, specifications, drawings, BoQ, security forms and Annexes.
ILO	2013	R4D Results Framework	Outline of key outcomes, outputs

		(Draft 1.0)	and associated indicators and baseline information.
World Bank	2012	Road Safety Audit Report of the Dili-Ainaro Road, Timor-Leste	Provides an audit safety report of existing road conditions along the Dili-Ainaro road. Provide guidance for upcoming design.
World Bank	2012	Road Safety Audit Report of the Detailed Design of Lot-One, Dili-Ainaro Road, Timor-Leste	On-going road safety audit and review of design document and technical drawing and specifications of the Dili-Ainaro road.

Attachment D: List of Proposed People to Meet for the MTR¹²

Position	Format
Australian Aid Team	Group meeting and discussion - follow up interviews may be required
Head of ILO	Briefing and context interview
ILO Team	Group Meeting and discussion - follow up interviews may be required
R4D Team	Group meeting and discussion - follow-up interviews may be required.
Minister MoPW and DG Director	Group discussion
SoS MoPW	Group discussion
DRBFC directors	Group discussion
Minister's Adviser	One on one interview/group discussion
SEPFOPE officers	Group discussion
DGCS	One-on-one interview
Ministry of State Administration	Group discussion
National Development Agency - (ADN)	Group discussion
SoS Private Sector	Group discussion
ERA Team Leader	Group discussion
Rural Development Adviser - EU	One on one interview
Disability Organisation - Raes Hadomi Timor Oan,	Group discussion
SoS for Promotion Equality	Group discussion
DA and CCO - Oecusse, Baucau & Lospalos	Group discussion
Local Contractors (Oecusse, Baucau & Lospalos)	Group interview and case study (individual interviews as required)

¹² Other names and organisations will be added as the travel and meeting agenda is finalised.

Position	Format
Community leaders and members (Oecusse, Baucau & Lospalos)	Group interview
MPW Staff (Oecusse, Baucau & Lospalos)	Group discussion
ILO Engineer (Oecusse, Baucau & Lospalos) - other engineers as required.	One on One interview
Head of DFAT - Australian Aid	Briefing and context interview
ADB	Group discussion
ILO	ILO

Attachment 3: Principal meetings and interviews

Assistant Director, Infrastructure and Rural Development, DFAT Dili
Director, Infrastructure and Rural Development, DFAT
Counsellor, DFAT
Head of Mission, Australian Embassy
Senior Coordinator, Infrastructure and Rural Development, DFAT Dili
Minister, Ministry of Public Works (MoPW)
Director General, Public Works, MoPW
Director General, Corporate Services, MoPW
Director of Roads, Bridges and Flood Control, MoPW
DRBFC Office, MoPW
Director Human Resources, MoPW
Human Resource Adviser, MoPW
Secretary of State, Private Sector, GoTL
Chief Technical Adviser, Roads for Development Program (R4D)
Institutional Capacity Development Specialist, R4D
Head of Mission and Chief Technical Adviser, ILO Liaison Office in Timor-Leste
Road Engineering Specialist, R4D
Planning and Training Engineer, R4D
M&E Officer, R4D
GIS Specialist, R4D
Database Specialist, R4D
Procurement Officer, R4D
Social Safeguards Officer, R4D/MoPW
Regional Engineer, Dili, R4D
Regional Engineer, Baucau, R4D

Regional Engineer, Same, R4D
Regional Engineer, Maliana, R4D
Regional Engineer, Oecusse, R4D
CTA, Enhancing Rural Access (ERA)
Labour-Based Training Specialist, ERA
Country Director, ADB
Adviser, ADB
Cooperation Chief, European Union
Senior Economist, World Bank
National Adviser, Agencia de Desenvolvimento Nacional
Project Manager, Project Management Unit (ADB, World Bank, JICA), MoPW
Chief Technical Adviser, Project Management Unit (ADB, World Bank, JICA)
Project Director, PNDS Program, DFAT
Team Leader, Seed for Life Program
Team Leader, Rural Roads Master Plan (RRMP), Cardno
Contractor Representative, Cardno
Adviser on Climate Resilient Infrastructure Development for SSRI Project, UNDP
GIS Assistant, MoPW
ICT Assistant, Corporate Services, MoPW
Procurement Officer, Corporate Services, MoPW
Head of Department, Network Operations, Ministry of Transport
President, Budget Committee
Vice-President, Budget Committee
Head of Projects, Budgeting and Planning, MoPW
Projects Department, Budgeting and Planning, MoPW
Planning Officer, Budgeting and Planning, MoPW

DG of Secretary of State for Promotion of Equality (SEPI)
Gender and Social Inclusion Adviser, BESIK
Disability Organisation
Gender and Social Inclusion Adviser, PNDS.
Director General, Laboratory, MoPW
Head of Laboratory, MoPW
Director, National Directorate for Environment
Director, Licensing, Ministry of Commerce, Industries and Environment
Former President, Chamber of Commerce
Former Vice-President, Chamber of Commerce
Specialist and Technical Backstopping, ILO/R4D
Group meeting with R4D contractors

Attachment 4: R4D Mid-Term Review Case Studies

Case Study 1: Bobonaro District, 15- 16 September 2014

Road Inspection: Balibo – Cowa 10 km of rehabilitation in total implemented through 4 contract packages:

- 1) USD325,378;
- 2) USD340,979;
- 3) USD319,673;
- 4) USD316,578.

The road was constructed under Indonesian rule in 1998 as a link to the national border with subsequent emergency works by MoPW on two occasions and maintenance under TIM-Works in 2009/2010. Before R4D works began the road was passable for approximately 800 metres only, after which point the road reverted to earth construction and included steep gradients, few cross drainages structures and little longitudinal drainage and was virtually impassable in the wet season.

The road is now substantially complete with minor defect and omissions being addressed. Motorcycle taxi services along the route have increased in number and reduced in cost. A trip from Balibo to Cowa now costs \$4 compared to \$10 before rehabilitation and this trip is now also possible in the wet season!

Overall the quality of the road is acceptable; however more stringent attention to detail is required. Two aspects need to be addressed.

1) R4D needs to develop a set of standard details and apply them across all projects. This requirement is highlighted by some of the details show in the photographs below. For example concrete pavement should be constructed to the same level as any structure adjacent to it, ie the longitudinal drain in the first photograph or the retaining wall in the second. Concrete pavements should include expansion joints, other R4D projects utilised a bitumen/sand expansion joints, all R4D projects should adopt a standard treatment. The extensive use of concrete bollards also needs to be considered, the type and number of bollards used in R4D changes within the different regions, and in many instances they only provide a visual warning and do not provide a significant safety role. R4D should utilise previous ILO project experience and resources to develop a standard approach for all construction details.

2) Construction Supervision needs to provide more focus on quality, particularly for concrete pavements. Concrete pavements are expensive to construct and if they are not properly compacted they will not perform to their potential. It is recommended that R4D trail the use of mechanical poker vibrators to provide more consistent compaction.



Photo 1: M Barrett (MTR) 15/09/2014

Balibo Market: Note gap between concrete pavement and longitudinal side drain. This detail is not ideal, if the gravel verge between the drain and pavement becomes eroded, storm water will flow along the verge and undermine the pavement.



Photo 2: M Barrett (MTR) 15/09/2014

Retaining wall: Note extensive use of concrete bollards and concrete pavement proud of verge causing a step that needs a concrete and gravel infill to make it safe. A costly detail that could be avoided if the pavement was constructed level with the top of the retaining wall.



Photo 3: M Barrett (MTR) 15/09/2014

Poorly compacted concrete pavement with "honeycomb" exposed aggregate.



Photo 4: M Barrett (MTR) 15/09/2014

Concrete pavement construction joint with no provision for expansion. Note the joint is filled with "uncompressibles" rather than a flexible expansion material.

Road Inspection: Maliana – Saburai 11 km of rehabilitation implemented through 5 contract packages;

- 1) USD261,762;
- 2) USD308,803;
- 3) USD310,864;
- 4) USD316,452;
- 5) USD288,095.

Most of the road was not trafficable during the wet season prior to the R4D rehabilitation works. The road is now substantially complete with minor defect and omissions being addressed. The road has made a major impact on the lives of communities along the route. Motorcycle taxi services along the route have increased in number and reduced in cost. A trip from Maliana to Saburai now costs \$3 compared to \$6 to 8 before rehabilitation. Saburai is now a hub for surrounding communities with agricultural products being brought to Saburai the night before and then traveling to Maliana early the following morning. This is an excellent example of connectivity with the main market of Maliana being linked to agricultural productive areas around Saburai.

This section of road uses a variety of pavement types, gravel, concrete, telford/stone and penetration macadam. All have their place in the rural road network. The telford/stone type pavement (photo 6) is a good option that is low cost and labour intensive, however some communities think the road is too rough and hence they object to this surface type and prefer concrete. R4D and MPW need to investigate this aversion, as it is not cost effective to pave all roads in concrete and more kilometres of roads could be rehabilitated if telford/stone type pavements were used more frequently.



Photo 5: M Barrett (MTR) 16/09/2014

Good concrete pavement, but with a narrow lane width the concrete bollards can be a hazard.



Photo 6: M Barrett (MTR) 16/09/2014

Good example of a telford/stone pavement.



Photo 7: M Barrett (MTR) 16/09/2014

Damaged concrete bollard, due to the narrow lane width these bollards can cause a hazard to passing trucks

Photo 8: M Barrett (MTR) 16/09/2014

Good example of a concrete pavement expansion joint, utilising bitumen and sand.

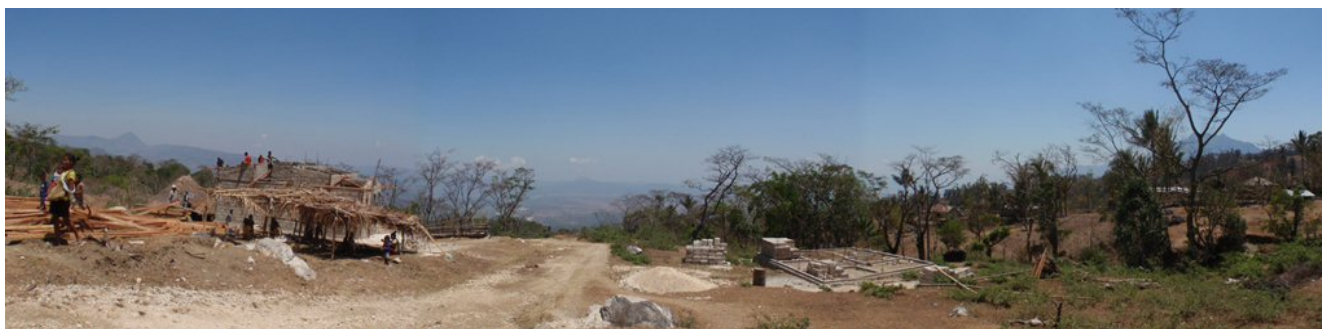


Photo 9: M Barrett (MTR) 16/09/2014

Just past Saburai, several new houses being constructed, until recently using new construction materials was almost impossible, but now with better access new houses, clinics and schools are being constructed.

Case Study 2: Manufahi District, 17 – 18 September 2014

Road inspection Lianai – Grotu 6.3 km of rehabilitation in total, implemented through 3 contract packages;

- 1) USD293,970;
- 2) USD365,067;
- 3) USD292,376.

The road was constructed under Indonesian rule but reportable there has been no subsequent maintenance. The alignment has tight small radius curves and extremely steep gradients. The road has extensive side drainage, maintaining drainage outlets will be an ongoing issue that will require close attention in order to keep stormwater erosion in check. Much of the road surfacing has been in concrete, however wherever possible R4D has utilised gravel and teflord/stone roads to keep costs down. The road is now substantially complete with all three contracts now in the defects liability period (DLP).



Photo 1: M Barrett (MTR) 17/09/2014

While much of the surfacing is concrete on this predominantly steep road some gravel surfacing has been used to reduce costs.



Photo 2: M Barrett (MTR) 17/09/2014

An example of telford/stone pavement and an earth side drain with bamboo check dams. These check dams appear to be working well and a much less expensive than concrete lined drains.

Overall the quality of the road is very good, particularly when considering the steep terrain and narrow road width making construction of three consecutive contracts very challenging. This same challenging terrain will make maintenance extremely important and it is hoped that the District Administration will apply the same priority to maintaining this road as it did to selecting the road for rehabilitation under the R4D project.

As in other road inspections the issue of variable construction details was obvious in this project. The Resident Engineer (RE) appears to have total control over the designs, specifications and construction details on each project road. As noted in the MTR report, the main problem is not the difference in details, but that the R4D is relying on individuals' expertise and capability, not drawing on the experience of the ILO, or the senior engineers based in Dili. The RE responsible for this project said he would typically have face to face contact with Senior Engineers from the R4D office about once every 3 months. The project has been fortunate to have high performing autonomous RE's but in order to develop a team approach and better engage MPW Provincial staff senior R4D Engineers need to have a much closer engagement with the work being implemented in the districts.



Photo 3: M Barrett (MTR) 17/09/2014

Very steep section with concrete pavement, note pavement extends up to the side drain, a good construction detail that should be replicated in R4D

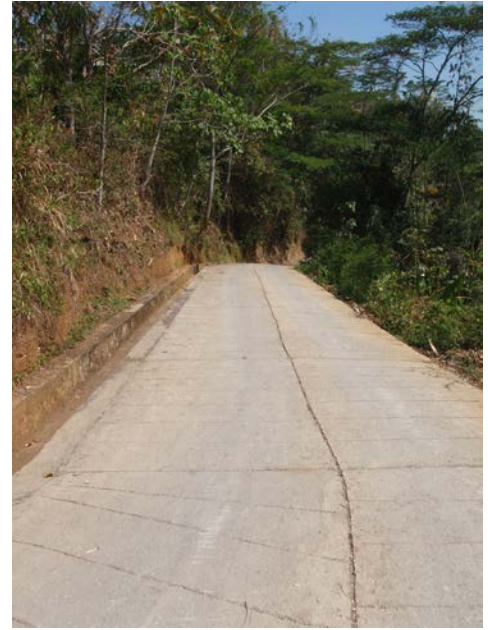


Photo 4: M Barrett (MTR) 17/09/2014

Concrete pavement, again the pavement extends up to the side drain. Note no expansion joints yet, however the RE plans to install a bitumen / sand mix during the DLP.



Photo 5: M Barrett (MTR) 17/09/2014

New housing construction, only possible with the new road.



Photo 6: M Barrett (MTR) 17/09/2014

A recently constructed clinic, made possible due to road access.

Case Study 3: Dili Region, 19 September 2014

Road inspection Laulara – Ornai 5.5km of rehabilitation in total, implemented through 2 contract packages

Package 1 (2 km) USD297,116, re-awarded with a revised total cost of USD337,428.65

Package 2 (3.5 km) USD250,281 however this contract has been terminated (June 2014) due to poor performance. R4D has proposed utilising the current Package 1 contractor and is awaiting confirmation from ILO headquarters.

The Succu Chief advised that the road was originally built by the Portuguese in the 1940's and then had some minor rehabilitation during the Indonesian time around 1999 with little maintenance since, apart from some SEFOPE work in 2011. The project road connects with a National Road near Laulara and provides access to Ornai. Steep sections up to approximately 20% have sealed surface treatments including Penetration Macadam and Telford/stone. A section between 3+420 and 3+900 has been realigned to bypass the existing very steep section greater than 25%!

Progress has been very slow however, the new contractor in place for package 1 is well resourced financially and has a good track record in road construction works and has now substantially completed package 1. The contractor has a substantial operation in Dilli and utilises the services of an expatriate project manager from the Philippines. This professional approach was vastly different to the two smaller enterprises that have failed on this section of road and is consistent with the overall findings of the tracer study, in that the very small emerging contractors have struggled to find solutions when problems arise. In the case of this project labour shortages and the long haulage distance for materials were key constraints. Therefore contractors with limited labour based technology or person management expertise had difficulty when the communities could not provide the labour required, however the new contractor with better communication skills managed to negotiate bringing in labour from surrounding communities. Likewise when the haulage distance for materials was high, cash flow became a problem for smaller contractors, again the new contractor had cash in the bank and could fund construction in between contract payments.

The communities along the road now benefit from lower transport costs, they can now hire a truck for around USD\$70 for a return trip to Dili, previously USD\$100, or travel on a microlet for around USD1, previously there was no microlet service. An ambulance can now access the village and at least one woman has started a new baking business that reportedly generates USD\$40 per day. And finally with the improved access the villages along the route now have electricity! This is surely development in action.

Overall the quality of the road is acceptable, with close access to Dili, construction supervision appears to have been high and good construction details have been applied, many of these should form part of the R4D standard details.



Photo 1: M Barrett (MTR) 19/09/2014

Pavement extending to edge of longitudinal drain, good practice that should be a “standard” detail for R4D.



Photo 2: M Barrett (MTR) 19/09/2014

Telford/stone pavement a good low cost pavement treatment as an alternative to concrete.



Photo 3: M Barrett (MTR) 19/09/2014

Bioengineering (planting) to stabilise embankment and bollards at outside of corner.



Photo 4: M Barrett (MTR) 19/09/2014

Another version of the bollard this one a re-cycled bitumen drum filled with gravel and capped with concrete. Note they only appear on the outside of corners, a practical option.



Photo 5: M Barrett (MTR) 19/09/2014

Electricity distribution now provided, due to improved access.