



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 29-Jun-2018 | Report No: ISDSC23947



BASIC INFORMATION

A. Basic Project Data

Country Timor-Leste	Project ID P155203	Parent Project ID (if any)	Project Name Timor Leste Branch Roads Project (P155203)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Jan 15, 2019	Estimated Board Date Mar 28, 2019	Practice Area (Lead) Transport & Digital Development
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance	Implementing Agency Ministry of Development and Institutional Reform	

Proposed Development Objective(s)

The PDO is to upgrade the Aituto-Hatubuilico-Letefoho-Gleno corridor, improving its climate resilience, and strengthen government capacity to manage road assets, and to provide immediate and effective response to an Eligible Crisis or Emergency.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	60.00
Total Financing	60.00
of which IBRD/IDA	60.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	60.00
IDA Credit	60.00

Environmental Assessment Category

Concept Review Decision



B. Introduction and Context

Country Context

1. Timor-Leste is a diverse, small island nation located on the edge of South-East Asia. A former Portuguese colony, Timor-Leste neighbors Indonesia and Australia. Timor-Leste occupies the eastern half of the island of Timor in the Timor Sea, which connects with the Pacific Ocean to the East, Indian Ocean to the West, and South China Sea to the North via the Java Sea. It includes two additional small islands (Atuaro and Jaco) and a small coastal enclave (Oecusse) in the western half of the Timor island. Measuring 14,874 square kilometers, one quarter of the country is classified as agricultural land and just 2.5 percent classified as urban land. The population density is relatively low, with a current population of approximately 1.2 million inhabitants. Most Timorese live in the western portion of the country, which includes the capital city, Dili.
2. The Timorese people descend from Austronesian, Melanesian, and proto-Malay populations, with some Western influence since the 16th century. There are 32 indigenous languages still spoken as mother-tongues in Timor-Leste today, with only 30 percent speaking the national language Tetum as a mother-tongue, and a further 55 percent speak it as a second language. As much as 98 percent of the population is reported as being Roman Catholic, with only 0.5 percent reporting a faith other than Christianity.
3. More than half of Timor-Leste's population is under 20 years old. Estimates from the latest living standards survey show the poverty rate based on the national poverty line fell from 50.4 percent in 2007 to 41.8 percent nationwide in 2014. Poverty is a highly rural phenomenon, with 80 percent of the poor living in rural areas. The Central region has experienced the fastest fall in poverty. Despite having the lowest poverty rate, between 2007 and 2014, poverty in the Eastern region increased slightly. Poverty incidence remains highest in the Western region, and particularly its rural areas. While most of the poor are concentrated in rural areas, the single largest cluster of poor people can be found in Dili, where around 15 percent of the poor live (80,000 people). Poverty is higher in rural areas, at 47 percent (390,000 people) compared to 28 percent (100,000 people) in urban areas. Over half (53 percent) of all Timor-Leste's poor are in the Central region, the most populace area, which includes Dili and the district of Ermera. The other 28 percent of the poor reside in the West and 19 percent in the East.
4. The country's tropical climate experiences distinct wet and dry seasons. Cyclones affect Timor-Leste frequently and bring heavy rains, as do seasonal monsoon rains, that cause human and economic losses. The country faces a substantial risk of earthquakes and potentially tsunamis in a few points on the southern coast, especially affecting public infrastructure. Timor-Leste's mountainous terrain is prone to intense rainfalls, flooding, and frequent landslides, which often damage or destroy public infrastructure and homes. Destructive winds and droughts further endanger agricultural productivity. *Though climate change is likely to result in relatively severe weather variation, extreme events and sea-level rise, Timor-Leste's vulnerability to natural disaster is not considered to be extraordinarily high. However, its capacity to cope and respond to these risks means that extreme events have a much greater negative impact on people than in most other countries.*



5. Timor-Leste's per capita gross domestic product in 2015 was USD1,033 (constant 2010 USD). From 2007 to 2015, GDP growth performance changed markedly: Average growth per year was 8.1 percent and real GDP per capita rose by more than 6 percent per year on average. At the heart of this dramatic reversal in economic trend was a change in government policy, to massively scale up public expenditure, particularly on infrastructure projects and cash transfers. This increased spending was made possible with financing from the Petroleum Fund (a sovereign wealth fund that was established in 2005), and with parliamentary approval, the Government of Timor-Leste (GoTL) was able to draw down large amounts of the resources held in the Fund. Currently, only one oil field is active and economic growth in the non-oil sector has slowed following a period of very rapid growth after independence, although it remains robust, averaging 4.8% per year over the past three years.

Sectoral and Institutional Context

6. Roads are the primary mode of transport in Timor-Leste. The country has an extensive road network totaling 6,036 km, consisting of 1,426 km of national roads, 869 km of district roads, 716 km of urban roads, and 3,025 km of rural roads. The main network corridor runs along the northern fringe of the country from the Indonesian border in the west through the capital Dili and then eastward to the second largest city, Baucau, and beyond. The road network in the west is reasonably dense, serving a strong agricultural region. In the rest of the country, the road network consists of five north-south connectors linking the northern corridor across the mountainous spine to the east-west road along the southern coastal plain. These main road corridors are important as they connect potentially promising agricultural areas and new oil industry-related developments along the southern coast to the main population and more developed areas along the northern coast.

7. Nevertheless, much of this network is still in poor condition, mainly due to unsuitable design and underinvestment in maintenance. The results of the 2015 survey indicated that 18.2% of rural roads were rated good, 36.7% were rated fair, while the remaining 45.1% were rated poor or bad.¹ Timor-Leste's slope instability and frequent landslides also pose a challenge to the provision of road transport. Data from 2011 study revealed that two-wheel drive cars could only drive at reasonable speeds on 20 percent of the national road network, and more than 6 percent were in such a poor condition that it was only passable by four-wheel drive vehicles. A deteriorated road network makes travel time longer, vehicles operating costs higher, and rural communities more isolated. It also has a negative impact on livelihoods and key basic services including employment, health, and education.

8. **Traffic.** Overall traffic is low in Timor-Leste, only the northern link between the Indonesian border and Dili, and from Dili to the eastern region, having non-motorcycle traffic above 1,000 vehicles per day. Notwithstanding, there has been rapid growth in the vehicle fleet with annual growth of approximately 28 percent between 2010 -2013. Motorcycles comprise approximately three-fourths of the fleet. ... <to be further detailed>

9. **Road Safety.** In 2013, the World Health Organization methodology for determining road fatality rates was 16.6 fatalities per 100,000 population, with 188 recorded fatalities in Timor-Leste that year. GoTL is in the process of developing a National Road Safety Plan (NRSP) that will be guided by the road safety activity framework set out in the *Decade of Action for Road Safety 2011-2020*. With the current administrative structure, the National Directorate of Road Safety (DNSR) is under the Ministry of Defense and Security; however, it is anticipated that responsibilities will be shifted to a National Land Transport Authority in coordination with DNTT, PNTL and other Government stakeholders, in leading efforts to address road safety and reduce road trauma.

¹ MPWTC, *Rural Roads Master Plan, Investment Strategy 2016-2020*, Map, May 2015.



10. **Road Maintenance.** In 2016, US\$4 million was allocated to routine and periodic maintenance of national, district, and urban roads, while US\$10 million was allocated for rural roads. A similar amount was allocated in 2017. So far there is no budget allocation for road maintenance in 2018 since the GoTL has not yet been able to approve the 2018 Budget. Although the road maintenance department has increased its capacity in past years and has managed a number of maintenance contracts, it still lacks the necessary capacity and resources to maintain even only the national roads, which have recently been upgraded....<to be further detailed>

11. **Institutional Framework.** The government of Timor-Leste has prepared the Strategic Development Plan (SDP) 2011-2030 to set out the development vision and long-term guide, which aims to rehabilitate all the existing roads by 2020, and provide a comprehensive road maintenance program by 2030, which seems very ambitious. The SDP includes a transport policy statement with a view to providing the legal framework for transport infrastructure and services, as well as to defining the organization and management of the transport system in Timor-Leste.

12. To attain this vision and the connectivity objectives of the SDP a Transport Sector Master Plan (TSMP) sets out to develop an 'integrated transport framework of systems, services and facilities required to facilitate and underpin inclusive economic and social development', which has targets for road upgrading that are more realistic. A key policy objective within the roads subsector is 'to develop the core road network with major urban roads, roads linking municipalities to each other, upgraded municipal roads linking municipal centers with sub-municipalities, and rural roads that provide access to villages and the more remote areas.' Improvements in all levels of road network - national, municipal, urban and rural road infrastructure – are to be constructed and maintained with appropriate standards and in good condition.

13. The Ministry of Development and Institutional Reform (MDRI) is the central government body responsible for the design, execution, coordination and assessment of the policy defined and approved by the Council of Ministers for transport, among other sectors. The Department of Roads Bridges and Flood Control is responsible for planning, developing, and maintaining national road network, including rural roads. The directorates under the ministry includes (i) the Directorate of Land Transport (DNTT), (ii) the Directorate of Roads, Bridges and Flood Control (DRBFC), and (iii) the Directorate of Road Safety. Through the DNTT, MDRI is also responsible for licensing of drivers and vehicles, for control of the condition of those vehicles and providing through the Department of works, the necessary road signage for road safety. MDRI has also established a National Transport Project Planning Unit (TPPU) to direct and support the implementation of the SDP.

14. The TSMP's priority in the land transport sub-sector is a National Land Transport Authority that will manage and regulate the sub-sector more efficiently and effectively and enhance the delivery of public services. The authority's mandate is to focus on road safety and public transport improvements, as well as increased private sector participation. To ensure that investments in the road network are protected and ongoing expenditure is optimized, dedicated funding and governance arrangements will be established.

15. **Donor Partnerships.** Considering the government's development plan, the World Bank has been assisting a US\$149.14 million Timor-Leste Road Climate and Resilience Project (RCRP) since 2011, towards the goal of delivering sustainable climate-resilient road infrastructure on the 110 km north-south Dili-Ainaro corridor. Other development partners are also supporting the rehabilitation of national, district, and rural roads. The Asian Development Bank (ADB) has been financing investments in the north of the country to the west of Dili, whilst also in February 2018 approved of a US\$45 million new project to upgrade the 58 km north-south Baucau-Viqueque road. The Japan International Cooperation Agency (JICA) has been financing east from Dili to Baucau, and the European Union (EU) has investments in rural and district roads currently under implementation. With the assistance of the Government of Australia and International Labor



Organization (ILO), DRBFC is implementing the Roads for Development (R4D) Program. The R4D program aims to ensure that women and men in rural Timor-Leste are deriving social and economic benefits from improved rural road access, and has introduced rural roads maintenance regimes using trained community maintenance groups. The Branch Roads Project complements the RCRP and other donor investments primarily by financing the upgrading of the 60 km Aituto-Gleno road, which links to the Dili-Ainaro corridor.

Relationship to CPF

16. A cornerstone of the World Bank Group's FY2013 – FY2017 Country Partnership Strategy for the Democratic Republic of Timor-Leste focuses on building core infrastructure to connect communities to services and markets and reduce transaction costs. More recently, the Timor-Leste Systematic Country Diagnostic (2017) presents a key set of priorities along three pathways towards achieving the twin goals - of ending extreme poverty and boosting shared prosperity - through: i) sustaining economic growth and private sector job creation; ii) continuing to invest in human capital and improved service delivery; and iii) sustainable management, of both the natural environment and public finances. Successive governments have highlighted the priority of rebuilding Timor-Leste's connective infrastructure to support stronger economic growth. *The project is well aligned with the objective of developing multi-purpose, appropriate and resilient connective infrastructure*, since a large portion of poor and vulnerable people live in rural areas and depend on transport for access to employment, markets, health, education, and social services.

C. Proposed Development Objective(s)

17. The PDO is to upgrade the **Aituto-Hatubuilico-Letefoho-Gleno** corridor, improving its climate resilience, and strengthen MDRI's capacity to manage road assets, and to provide immediate and effective response to an Eligible Crisis or Emergency.

Key Results (From PCN)

18. Progress will be measured against the following PDO-level results indicators:

- Reduced travel time on the project road
- Included climate resilience aspects on design and construction of the project road
- Improved asset management capacity by MDRI as demonstrated through the preparation of an annual road asset management report

19. The following intermediate indicators will also be considered during preparation.

- *Core Indicator* Roads rehabilitated (km)
 - (i) Rural
 - (ii) Non-rural
- Design and construction stages technical audits on the project road including climate resilient aspects (Yes/No)
- Road network database filled annually with inventory, condition and traffic data (Yes/No)
- Project related grievances addressed within the required terms, disaggregated by gender (Yes/No)

D. Concept Description



20. The project design incorporates elements predicated on the four pillars of the Sustainable Mobility for All (SuM4All) agenda: the primary investment in rural road infrastructure supports *universal access* by enabling the travel needs of rural communities; the designated road segment improves transport *efficiency* by reducing travel time and costs for both people and goods, while effectively connecting agricultural areas to markets and opening up an area with great potential for tourism; road *safety* aspects will be integrated into the project design in an effort to avoid road-related fatalities, injuries, and crashes; and *green mobility* objectives will be met by ensuring climate mitigation and adaptation measures are embedded in the road asset.

21. The project will be financed by approximately US\$60 million (including contingencies), drawing on national IDA Credit financing.

22. **Component 1: Civil Works (Approximately US\$ 57 million).** This component consists of the main civil works activities to be undertaken on the Aituto-Hatubuilico-Letefoho-Gleno road and the rest of the network. The activities include:

23. **Sub-component 1.1: Aituto-Hatubuilico-Letefoho-Gleno road upgrading (Approximately US\$ 55 million).** The component will finance: (i) pavement upgrading with selective widening (if required); (ii) improvement of drainage structures to meet forecasted rainfall volumes and intensities; and, (iii) construction or reinforcement of slope stabilization structures. Key features of the road segments include steep gorges and mountainous terrains, sections that are in poor condition, with narrow widths and unstable slopes.

24. A general overview of the location and attributes of the proposed Aituto-Hatubuilico-Letefoho-Gleno road section, which comprises a total length of approximately 60 km, is defined as follows:

- i. From *Aituto to Hatubuilico*, 16 km: The first four km consist of a road in fair condition, with a three-meter wide granular sealed surface and a five-meter-wide Right of Way (ROW). It is restricted by a steep gorge to its right side and steep terrain to its left side. From km 4 to km 16, the road bed is in a poor condition with a gravel-covered width of three meters and a ROW of five meters. This section has steep terrain to its right and the gorge to its left, and widening might require land acquisition. Apart from the occasional motorcycles and cars, the traffic is limited to a few small trucks per day carrying agricultural goods and people.
- ii. From *Hatubuilico to Letefoho*, 17 km: From the junction to Hatubuilico the road continues to pass through mountainous terrain with narrow width and in very poor condition. Only 4x4 vehicles can pass on some water crossings. The road bed is in a stable condition and consists of a three-meter-wide gravel section and five-meter-wide ROW. The widening of this section will require the acquisition of productive agricultural land and compensation will be needed. Slope instability is a major concern for this section. Traffic is very limited.
- iii. From *Letefoho to Gleno*, 27 km: This road section is in fair condition. The section consists of a four-meter-wide asphalt pavement and six-meter-wide ROW with coffee plantations on both sides. Slope instability is a concern. This section passes through a combination of mountainous and flat terrain. The end connects with the recently completed ADB-assisted road Gleno-Dili. Traffic is very limited.

25. Although the construction will use the existing Right of Way (ROW), small-scale land acquisition and removal of trees and/or structures on ROWs are anticipated as part of the project requirements for road widening and slope stabilization. Potential footprints are currently unknown and may potentially include productive agricultural land and existing land use for commercial purposes (e.g. street vendors). The extent, scale and nature of impacts will be further assessed as part of the project preparation. A Feasibility Study and Detailed Engineering Design (DED) was commissioned



in May 2018, and this will include an Environmental and Social Impact Assessment (ESIA) to assess any potential environmental and social risks that may result from and/or associated with the project activities.

26. Based on existing biological values area maps, some sections of the Branch Roads (i.e. Aituto to Hatubuilico and Hatubuilico to Letefoho) will pass through protected area of Tatamailau Mountain and bird habitats. The surrounding environment condition of the “Aituto to Hatubuilico” and “Hatubuilico to Letefoho” in the proposed Branch Roads are not known; and United Nations Transitional Administration in East Timor (UNTAET) Regulation no. 2000/19 on Protected Places defines the protected areas as “all elevations on Tatamailau Mountain above 2,000 meters and the surrounding forest.” This needs to be confirmed during the preparation of the ESIA/IEE and the preparation of the detailed design for the road sections, attention will be given to minimize negative impacts on sensitive ecosystems, or the natural environment.

27. **Sub-component 1.2: Road Safety Improvements (Approximately US\$ 2 million).** This sub-component could cover road signage and pavement markings to address road safety issues on paved roads other than the Aituto-Hatubuilico-Letefoho-Gleno road or black spot improvements at locations to be identified by the Government (to be decided during project preparation).

28. **Component 2: Institutional Strengthening and Project Management (Approximately US\$ 3 million).** This component aims at helping strengthening capabilities within the MDRI on issues related to road assets management. It will finance technical assistance, equipment, and operational costs associated with the implementation of the Project. It will also finance studies required for the preparation of potential future investments in the road sector. This component is split into two sub-components, as detailed below.

29. **Sub-component 2.1: Technical Assistance (Approximately US\$ 2 million).** This component involves knowledge and capacity building to support transport sector development. These activities will improve line Ministry and respective departmental unit’s ability to manage road assets. Proposes Technical Assistance activities (to be decided during project preparation) could include a focus on maintenance and associated funding mechanisms, as the GoTL has demonstrated interest in establishing a road fund for future road maintenance needs, including drafting legislation, as well as supporting the establishment of a road and bridges asset management system and/or database. Other potential technical assistance could include drafting axle load control legislation and other investments for enforcement, such as weighbridges, which is particularly relevant given the expected traffic from the new Tibar Bay port development, or in the area of Road Safety. Building capacity within and strengthening the PMU and Ministry of Public Works, as needed and in complementarity with other donors, may also be considered. This sub-component will include technical studies and designs required for the preparation of potential future investments in the road sector.

30. **Sub-component 2.2: Project Support (Approximately US\$ 1 million).** This sub-subcomponent will finance operational costs associated with implementation of the Project and human resources or goods needed by the Project (to be identified during project preparation). It also includes yearly audits of the project accounts, to be submitted to the Bank

31. **Component 3: Contingency Emergency Response (US\$ 0.00 million).** This zero-cost component would support preparedness and rapid response to an Eligible Crisis or Emergency, if needed. Following the declaration of a disaster or state of emergency, it allows for reallocation of credit and grant proceeds from other project components under streamlined procurement and disbursement procedures, or a mechanism to channel additional funds, should they become available, resulting from an emergency.



32. **Climate Resilience:** A screening of the proposed project for short- and long-term climate change and disaster risks was undertaken using the World Bank Climate and Disaster Risk Screening Tool. Timor-Leste, like many small islands developing states, has been identified as highly vulnerable to the adverse impacts of climate change. With a largely rural population, increasing temperatures and extreme rainfall events that raise the risk of flooding and landslides will likely expose agrarian communities to increased vulnerability and food security challenges that result from low yields and post-harvest losses. When combined with limited or poor infrastructure and inadequate social safety nets, the country's susceptibility to natural disasters (including earthquakes, tsunamis, cyclones) ultimately heightens climate-sensitive risks to Timor-Leste's development agenda. The project intends to address this through the provision of resilient transport network infrastructure solutions.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The primary project investment supports national road rehabilitation works along the Aituto-Hatubuilico-Letefoho-Gleno corridor. The civil works will likely entail a range of interventions, including pavement reconstruction, road widening, drainage improvements, and slope stabilization along a total length of approximately 60 km (16 km from Aituto to Hatubuilico, 17 km from Hatubuilico to Letefoho, 27 km from Letefoho to Gleno). Key topographical features on which the road traverses include steep gorges and mountainous terrain, sections of which are in poor condition, along narrow widths, and with unstable slopes. Although the construction will use the existing Right of Way (ROW), small-scale land acquisition and removal of trees and/or structures on ROWs are anticipated as a result of necessary road widening and slope stabilization. Potential footprints are currently unknown and may potentially include productive agricultural land and existing land use for commercial purposes (e.g. street vendors). The extent, scale and nature of impacts will be further assessed as part of the project preparation. A Feasibility Study and Detailed Engineering Design (DED) will be commissioned in May 2018, and will include an Environmental and Social Impact Assessment (ESIA) to assess potential environmental and social risks that may result from and/or be associated with the project activities. The ESIA will also cover risks related to Gender Based Violence (GBV), child labor and labor influx.

B. Borrower's Institutional Capacity for Safeguard Policies

The project will be implemented by the Directorate of Land Transport (DNTT) of the Ministry of Development and Institutional Reform (MDRI). A National Transport Project Planning Unit (TPPU) has been established by the MDRI to direct and support the implementation of the country's Strategic Development Plan (SDP), which provides a framework for road rehabilitation and maintenance over the period of 2011 – 2030. In addition, the National Land Transport Authority will be responsible to set regulatory frameworks and enhance delivery of public services, particularly with regards to road safety and public transport improvements.

The project will be implemented by the multi-donor Project Management Unit (PMU), which is currently also implementing the Dili – Ainaro road financed by the World Bank. The PMU is headed by a local project manager, staffed with local and international professionals.

Further assessment of implementing agencies' capacity for safeguards will be carried out as part of project preparation. This assessment will inform capacity building needs and resources, including any gaps that need to be addressed as part of project implementation.



C. Environmental and Social Safeguards Specialists on the Team

Fajar Argo Djati, Social Specialist

Agustina Parwitosari, Environmental Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The project will finance road rehabilitation of the proposed Aituto-Hatubuilico-Letefoho-Gleno road section. The Borrower has mobilized a consultant to prepare the feasibility study and detailed engineering design. The consultant is also tasked to conduct an Environmental and Social Impact Assessment (ESIA)/Initial Environmental Examination (IEE) in accordance with the GoTL Standards, in particular under Law no.5/2011 and World Bank Operational Policy (OP 4.01 Environmental Assessment). The ESIA/IEE must consider alternative engineering options, i.e., (i) rehabilitation of existing carriageway (i.e. no widening), with appropriate drainage and slope stabilization; (ii) first option plus limited widening for road safety purposes; (iii) upgrade to National Road standards; and (iv) do nothing option. The above analysis of alternatives will consider existing and projected traffic volumes and a quantitative and qualitative assessment of the environmental and social associated impacts. In addition, the ESIA will also cover risks related to GBV, child labor and labor influx that are currently not covered under OP 4.10 and 4.12.</p> <p>In preparation of the ESIA/IEE, the Borrower will carry out public consultation with affected people and other interested parties to ensure that all potentially significant environmental and social risks and impacts are identified and addressed. Outcomes of this consultation will be integrated into the feasibility and design process (including alternatives analysis) and the assessment of the project’s environmental and social risks and impacts.</p> <p>The results of the ESIA/IEE will be the basis for the preparation of the Environmental Management Plan (EMP), which will also be consulted with the relevant</p>



stakeholders and publicly disclosed according to the GoTL and World Bank rules and procedures, in particular OP4.01. These consultations will be properly documented in countersigned minutes. On the basis of the detailed design, the EMP will be made specific to the environmental conditions and setting in the relevant road corridors, fully reflecting the construction activities.

The adverse environmental impacts associated with the civil works are limited to construction related impacts, they are short-lived, occurring along the alignment of the selected road segments and mostly confined to the right of way (ROW). However, some impacts occur outside of ROW, although it is still close approximately to the corridor. These include impacts of quarry operation, asphalt mixing plant, batching plant and spoiled material disposal sites. The construction or operation of these ancillary facilities have its own site specific EMP, to be prepared by the contractor. In addition to these EMPs, prior to civil work, the contractor is obliged to develop the environmental safeguard implementation plan (ESIP) for road rehabilitation work. Experience to date with Contractors' performance on similar road works is considered to be moderately satisfactory, Also noted is that the GoTL administrative procedure, (e.g. issuing of environmental license or mineral license) can be time consuming and cause delay in civil work if not properly managed in a timely manner. Environmental aspects that require a greater focus from contractors relate to road safety (e.g. lack of signage), occupational health and safety (e.g. no PPE) and basecamp housekeeping.

The Technical Assistance under Component 2 at the Concept Stage potentially involves:

- a. knowledge and capacity building to support transport sector development;
- b. legal and regulatory reforms (i.e. drafting of axle load control legislation and other investments for enforcement);
- c. development of mechanisms for road infrastructure maintenance and financing;
- d. development of a road and bridge asset management system and/or database;



e. technical studies and designs required for the preparation of potential future investments in the road sector.
Development of safeguards measures to address TA activities will refer to the Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank dated January 2014. Decision on specific instruments will be determined once the TA activities have been confirmed during project preparation and the Task Team will seek RSS' guidance on this matter.

Performance Standards for Private Sector Activities OP/BP 4.03 No

Whole sections of Branch Roads are owned and operated by the Government of Timor Leste. There is no plan to privatize the road.

Natural Habitats OP/BP 4.04 Yes

Based on biological values areas maps (source: EMP Dili – Ainaro Road Project, 2011), some sections of the Branch Roads (i.e. Aituto to Hatubuilico and Hatubuilico to Letefoho) will pass through protected area of Tatamailau Mountain and important bird sanctuaries. The surrounding environmental condition of the “Aituto to Hatubuilico” and “Hatubuilico to Letefoho” in the proposed Branch Roads are not known; and United Nations Transitional Administration in East Timor (UNTAET) Regulation no. 2000/19 on Protected Places defines the protected areas of Tatamailau Mountain as “all elevations on Tatamailau Mountain above 2,000 meters and the surrounding forest”. This needs to be confirmed during the preparation of the ESIA/IEE and the detailed design of the road sections. Attention will be given to minimize negative impacts on sensitive ecosystems, and the natural environment.

This policy is triggered and both direct and indirect impacts to Natural Habitat will be investigated in ESIA. The task team has utilized the IBAT software as the tool to preliminary screen the area and found that the area was not IUCN protected and there was no uniquely/highly threatened ecosystem, however 0.225% proposed project footprint was considered as a Key Biodiversity Area for Bird (Important Bird Areas) based on Tata Mailau area of 20,000 hectares. The nature of the project will focus on ground construction works and therefore, potential risks on birds' movement shall be manageable. The project will apply



		land clearing procedures taking into account the prevention of adverse impacts on birds' nests and their habitats. Further information and assessment will be discussed in ESIA and the analysis of risks will be revisited accordingly.
Forests OP/BP 4.36	TBD	Two sections of the Branch Roads i.e. Aituto to Hatubuilico and Hatubuilico to Letefoho will pass through Tatamailau protected area. The surrounding environment condition of the area is not known, it will be confirmed during the preparation of the ESIA/IEE.
Pest Management OP 4.09	No	The program intervention will not procure or use any pesticides.
Physical Cultural Resources OP/BP 4.11	TBD	Finding physical cultural resources is considered unlikely in the existing corridors. However, considering that some activities or ancillary facilities will be located outside the right of way, a chance find procedure will be included in the EMP. Screening will be carried out at the earliest stage of project preparation. Should any physical cultural resources be identified by chance at any stage of the project preparation or implementation, its handling will be safeguarded by a physical cultural resources Management Plan in the EMP.
Indigenous Peoples OP/BP 4.10	TBD	Since the details of the project area of influence, including assessments of risks and impacts are currently not available, a social assessment will be carried out as part of the ESIA to identify if Indigenous Peoples and/or any community groups that meet the World Bank's Operation Policy (OP4.10 Indigenous Peoples) identification criteria are present in the project footprints and/or if they may be impacted by the project activities. At this stage, the applicability of OP 4.10 will be determined once further information is made available.
Involuntary Resettlement OP/BP 4.12	Yes	<p>The policy is triggered. Widening of road sections is anticipated between Hatubuilico to Letefoho (17 km) which will require the acquisition of productive agricultural land. Construction along the Letefoho to Gleno section (27 km) may also affect coffee plantation although the extent and types of impacts are yet to be identified.</p> <p>The road construction/rehabilitation will use the existing Right of Way (ROW) to minimize the necessity for additional land acquisition and associated impacts. However, since legal ownership of ROWs and</p>



boundaries may not be clearly defined between ROWs and private property, small-scale land acquisition and removal of trees and/or structures on ROWs are anticipated as part of the project requirements for road widening and slope stabilization. Potential footprints are currently unknown and may include productive agricultural land and existing land use for commercial purposes (e.g. street vendors). The extent, scale and nature of impacts will be further assessed in the ESIA as part of project preparation.

The World Bank policy (OP 4.12) requires that the project implementing agency prepare relevant instruments depending on whether or not project footprints have been confirmed prior to appraisal. Based on socio-economic census, Land Acquisition and Resettlement Action Plans (LARAP) will be prepared if the project exact locations have been confirmed prior to appraisal. Alternatively, a Land Acquisition and Resettlement Framework or Resettlement Planning Framework (LARF or RPF) will be prepared if the locations cannot be confirmed prior to appraisal and the preparation of the LARAP will be required prior to construction. Either LARAP or LARF/RPF will be subject to the World Bank’s clearance and developed in accordance with OP 4.12 policy requirements to address potential land acquisition impacts and/or loss of income and assets.

Safety of Dams OP/BP 4.37	No	The project will not finance dams, nor the rehabilitation or any activities related to dam operation and safety. It will not depend on the operation of an existing dam.
Projects on International Waterways OP/BP 7.50	No	The project will not affect the efficient utilization and protection of international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project will not finance any activities within territorially disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Jan 15, 2019



Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The Feasibility Study and Detailed Engineering Design consultant mobilized in May 2018. The assignment entails undertaking the requisite environmental and social assessment in accordance with the Timor-Leste safeguard regulations and World Bank policies. The total services are expected to be completed within eight (8) months of commencement of the assignment.

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APPROVAL

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