



Roads for Development (R4D) – Cluster Independent Final Evaluation

QUICK FACTS

Countries: Timor-Leste

Evaluation date: 06 February 2023

Evaluation type: Clustered

Evaluation timing: Final

Administrative Office: ILO Country Office for Indonesia and Timor-Leste

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DC Symbol: TIM/12/01/AUS; TLS/16/03/AUS; TLS/21/01/AUS; TLS/20/01/RBS

Donor(s) & budget: Government of Australia through the Department of Foreign Affairs and Trade (DFAT) – (Project 1 – USD 32, 284, 391; Project 2 – USD 15,587,538; Project 3 – USD 5,448,223)

International Labour Organization – Regular Budget Supplementary Account (RBSA – Project 4 – USD 550,000)

Key Words: Employment Intensive Assistance Programme, Rural Roads, Capacity Building, Private Sector Contractors

BACKGROUND & CONTEXT

Summary of the project purpose, logic and structure

This evaluation covers four projects that were delivered over ten and a half years across Timor-Leste: Roads for Development (**R4D Phase I** which ran from March 2012 to March 2017); the Roads for Development – Support Program (**R4D-SP Phase II** which ran from April 2017 to June 2021); the **R4D-SP Bridging Phase** (which ran from July 2021 to December 2022); and the “Supporting recovery from the COVID-19 through targeted employment intensive public works” project (or the “**RBSA project**” which ran from December 2020 to December 2022).

The Program operated as a partnership between Government of Timor-Leste (GoTL), the Government of Australia (GoA – as represented by the Department of Foreign Affairs and Trade, DFAT), and the ILO.

The Program aimed to ensure that “women and men in rural Timor-Leste are deriving social and economic benefits from improved rural road access”. These projects each had somewhat different rationales reflecting needs as they evolved but broadly aimed to build national capacities (government institutions and staff and private contractors) to effectively rehabilitate and maintain rural roads. End-of-program objectives: (1) GoTL is effectively managing rural roads at national and municipal levels; and (2) Increased contractor capacity, employment and income in selected rural communities.

Support was provided by embedding the project teams for each phase in the Ministry of Public Works (MPW) at both a central and municipal level to support close collaboration in the management of rural road works and to facilitate knowledge transfer.

Present situation of the project

The project ceased operating on 31 December 2022.

Purpose, scope and clients of the evaluation

Noting the uniqueness of this 10-year plus partnership between the GoTL, GoA and ILO in supporting the development and implementation of the R4D program, the evaluation would focus on the significant changes and impact it brought about in Timor Leste.

The evaluation covers the entire period of the four projects (March 2012 to end-December 2022) and considers the relevant findings and



	<p>recommendations of previous project evaluations, studies on impact assessment and tracer studies.</p> <p>Clients: GoTL, ILO constituents, ILO backstopping units, ILO staff, including R4D project staff and management, the donor (DFAT) and other key stakeholders.</p>
<p>Methodology of evaluation</p>	<p>The cluster evaluation applied a mix of methods and analysed both quantitative and qualitative data, combining an analysis of previous evaluations, impact and tracer studies and other relevant project documents with face-to-face and remote interviews with key informants, including in six of the 13 communities where the project rehabilitated rural roads. A workshop and the circulation of a draft report provided stakeholders with the opportunity to provide feedback and to validate findings.</p>
<p>MAIN FINDINGS & CONCLUSIONS</p>	<p>Impact</p> <p>The rehabilitation of rural roads through the projects has had a significant positive impact on communities. Just on half of the country’s network of 1,975 kilometres rural roads were rehabilitated, significantly enhancing the quality of life of some 46,000 rural households by providing improved, year-round, motorable roads. This facilitated economic activity, especially access to markets and the transportation of goods, and improved or enabled access to basic social services including medical treatment and education.</p> <p>In the process, USD 11 million dollars were paid in wages to local workers for 2 million person-days of work of which 24.9 per cent were paid to women and 2.96 per cent to people with disabilities. 24 per cent of total project costs were paid in labour costs.</p> <p>From a very low base and after ten years of Program support, significant progress has been made in building the capacity of GoTL institutions in rural roads management. Further technical support and guidance would continue to strengthen functions and service delivery.</p>



The development of a market of rural roads contractors with the capability to deliver quality results using local resources was an important impact of the projects. Work supporting the enabling environment for these businesses is needed and their investment in skills and quality needs to be recognised in mainstream (i.e., non-R4D) procurement processes to drive continuous improvements in quality and efficiency.

The R4D projects influenced the quality and quantity of work in an important sector. The projects closely monitored the employment generated in communities, recording total workdays and wages paid as outputs, as well as employment quality and the extent to which project benefits were equitably shared. Improved rural road infrastructure also created long-term employment and economic development benefits to communities and their people and businesses. In terms of wages, the ILO took the lead in ensuring that workers were paid the legislated minimum wage.

Sustainability

The sustainability of many of the Program's achievements is good overall but depends on the willingness and commitment of key stakeholders to maintain and continuously improve the systems and standards that have been established and to continue to build the capacity of national and municipal staff. The durability of the rural roads that have been rehabilitated through the project will depend on a clear commitment to maintenance including a dedicated annual budget.

Effectiveness

Overall effectiveness in delivering planned outputs was generally good, despite many complex operational and institutional challenges. More support will be required before the GoTL can effectively manage rural roads at the national and municipal levels independently and in a sustainable way.

All phases of the Program addressed gender and disability inclusion in their design and achieved solid results in policy development, institutional awareness-raising and capacity development, support for female-led businesses, and the direct employment of women and people with disability in roads work.

Embedding the projects within the MPW was an effective strategy overall. The project's development of the Rural Roads Master Plan and Investment Strategy was also an important innovation for Timor-Leste, creating a guiding framework for planning rural roads works and for preparing annual budget submissions, though the GoTL funding allocations did not always adhere to it in practice.

The projects did well to continue project activities despite the disruption caused by the pandemic and took clear action to minimize risk to staff, communities and contractors. The RBSA-funded COVID response project provided a rapid response benefitting those most affected by the crisis.

Coherence

Over its different phases, the Program linked well with other related development interventions in Timor-Leste though its later efforts to support the integration of rural roads policy and planning into a more holistic policy approach (led by the ADB) are yet to show results. The mechanisms introduced by the GoTL to improve coherence and collaboration between GoTL agencies have not been activated and this has adversely affected project performance.

Efficiency

Previous evaluations found that project efficiency was generally good but noted that a more structured approach to capacity transfer through its "embedded" model of support – defining more clearly the points at which functional autonomy are reached - may have enhanced results and enabled a more efficient re-focusing of Program resources and support. Some planned activities and positions were cancelled in Phase II and some of these left the project in a weaker position to achieve some goals.

The consistent and focused approach to rural roads development through a single program implemented for over ten years also had significant efficiency benefits. The consistency of support provided to the GoTL and to the construction sector and the standardisation of approaches and work methods created a much-needed point of stability in an often-volatile context in the development of the capacity of the public and private sector to plan, manage and implement rural road works. In other developing countries, capacity

development efforts can be fragmented by multiple agencies working in this space.

Relevance

To maintain relevance over time, the Program adapted reasonably well to changing circumstances and priorities. While the Program could clearly demonstrate the relevance of the rural road improvements themselves, it was less able to demonstrate the relevance of its capacity building efforts by accelerating the handover of operational responsibilities. This was made difficult by political, budgetary and administrative barriers and by uncertainty over decentralisation of these responsibilities.

The relevance of the Program's efforts in building capacity at the municipal (decentralised) level was constrained by continuing delays within the GoTL in making decentralisation a reality and in clarifying roles and responsibilities. The Program has developed systems, procedures, and technical manuals suitable for use by municipalities, but their institutionalisation at that level is incomplete.

Supporting Timor-Leste to improve its rural roads infrastructure has provided a platform to advance decent work and social justice in rural communities. While the evolution of such projects can get to the point where changed priorities risk the ILO involving itself in activities that have a more tenuous connection with its own constitutive mandate, key capabilities, and comparative advantage, there is a continuing need for the sort of work that the ILO is well suited to deliver, promoting decent work in its support for infrastructure rehabilitation and maintenance using labour based methods.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

Main findings & Conclusions

The R4D projects “put rural roads on the map” as a development priority in Timor-Leste. Access by rural communities to quality roads infrastructure increases their economic output, creates employment, and facilitates access to education, health and other community services. It improves people's lives and allows their communities to thrive. By the end of 2022, almost 1000 kilometres of rural roads had



been rehabilitated and maintained through the projects and all the communities consulted in the evaluation attested to the profound impact the Program had made on their quality of life.

Building on the Program's significant impact, future work in Timor-Leste requires a more holistic approach to the development of all classes of roads. This will require a more integrated planning approach that involves the cooperation of multiple ministries. Despite the Program's efforts to encourage such cooperation, significant, long-standing barriers will need to be overcome for it to be achieved.

The national institutions the projects were designed to support had very low capacity to manage rural roads in 2012 and the Program applied labour-based methods to demonstrate how these roads could be rehabilitated in a way that maximised benefits to communities. Institutional capacity to manage this work had improved and the Program now leaves behind a legacy of trained personnel, documented systems that are in use, a Rural Roads Master Plan and Investment Strategy, and a market of trained rural roads contractors that can participate in competitive tenders and operate as viable businesses. The Program embedded decent work and social justice principles in its delivery and promote these more generally in public works in Timor-Leste. More work is needed to preserve and build on this legacy.

From the start, the Program aimed to build the foundations of local capacity by developing strategies, systems and procedures and by training government staff and contractors. Initially, it also involved playing a more hands-on role in rural roads planning and implementation. Subsequent phases were expected to place greater emphasis on "support and guidance" but there were many factors that made it difficult to wean local institutions from more direct operational assistance and to hand over to them all aspects of rural roads management. The Program operated for over ten years and, in that time, had to navigate ongoing political uncertainty, budgetary and civil service recruitment freezes, frequent turnover of key senior officials and ministers, natural disasters, and the COVID-19 pandemic. Alerted to the risk that "capacity substitution" could continue indefinitely if progress in capacity development was slow,

the donor became concerned that the project was measuring the value of its work too much terms of kilometres of road laid rather than by how much administrative and policy development capacity had been transferred to government agencies.

In practice, making this transition from “doing less and supporting more” was not straightforward. Getting rural roads built was in everyone’s interests, including the GoTL and the donor¹, and it was always going to be hard for the Program to stand back, draw a line in the sand, and potentially let the whole physical road rehabilitation program grind to a halt while it focused on overcoming longstanding political and administrative obstructions and resourcing constraints that continue to this day. Even deep into Phase II, the Program was still playing a hands-on role in municipalities simply because the capacity was not yet in place and resources had not been made available by the GoTL. In the end, the Program did not get the balance right in making the transition and often did too much, but to suggest that it stubbornly stuck to road building and “capacity substitution” because of its own operational inclinations or an “engineering mindset” would be simplistic and unfair.

Recommendation 1: Invest more in the development or adoption of an institutional capacity development framework as a structured process that can support the design and implementation of projects and interventions that build capacity at a national or sub-national level.

Recommendation 2: Pursue opportunities to continue to add value to the GoTL’s work in rural roads and other infrastructure development by promoting Decent Work and social justice.

Recommendation 3: As policy contexts and donor priorities evolve, future EIIP projects should use the scoping of new project phases to consider a more comprehensive review of project strategy and staffing. They should also consider the value that might be added by involving other ILO departments and programs.

¹ The donor continued to request the Program to report on kilometres of road laid/rehabilitated even after it was agreed that this should not be a measure of Program success.



	<p>Recommendation 4: Ensure ILO social partners are meaningfully involved in all stages of future EIIP projects’ design, implementation, and review.</p> <p>Recommendation 5: Ensure that all project resources generated by the project, including technical manuals, guidelines and training materials, are kept safe and accessible within GoTL institutions and are also uploaded to the ILO’s global EIIP literature database.</p>
<p>Main lessons learned and good practices</p>	<p>Good practices</p> <p>Working with local institutions to develop the capability of private sector contractors provides an opportunity not only to develop technical and business management skills, but also to promote, embed and normalise decent work, social justice, and environmental sustainability principles in the sector’s operations and in the government institutions’ procurement standards.</p> <p>Completion of a well-researched and comprehensive developmental master plan and investment strategy can help ensure that government decisions on priorities and investments are strategic and data-driven and not based on short term political expediency.</p> <p>Lessons Learned</p> <p>Constraints in an intervention’s enabling environment need to be addressed to maximise results and this requires the right balance of skills on the project team (i.e., advocacy and policy influencing skills as well as technical skills). Projects are however limited in their capacity to shape important dimensions of their environment and other stakeholders need to be mobilised including donors, constituents, other development actors and those with similar interests and facing similar obstacles.</p> <p>Inter-ministerial cooperation and coordination is needed to ensure that there is clarity over roles, responsibilities and resources in public works projects, especially in an environment when decentralization is meant to be occurring. Development cooperation projects can support this, but the political will needs to be cultivated at higher levels to ensure that planned coordination mechanisms are activated.</p>



Clearer measurement of institutional capacity building efforts, including defining points where institutional autonomy is considered achieved, would assist project efficiency and effectiveness.

The embedded model of institutional support can be an effective mode of delivery for this capacity building provided there are identified counterparts or units within the Ministry who will ultimately take the reins and there is a clear plan in place for handover.