



► Brief on R4D Project

► 10 Years Roads for Development (R4D) - A Life Changer for Rural People in Timor-Leste



Changing lives

“An improved road means a better quality of life” and “Before we had no job opportunities”.

These two statements made by people living in rural areas, sum up in a nutshell the development impact of the Roads for Development Programme (R4D) on the life of rural people in Timor-Leste.

70% of the 1.3 million Timorese people live in rural areas and most of them depend on subsistence

farming for their livelihoods. In the rural communities poverty levels are high and there are very few paid jobs.

Back in 2012, poor rural road access was one of the biggest obstacles to rural economic and social development in Timor-Leste. At that time only 13% of the rural roads were in a good condition.

To address this problem, R4D was launched in 2012. R4D was co-funded by the Government of Timor-Leste (GoTL) and the Government of Australia (GoA). In



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total USD 73 million of capital funding was provided (of which 84% by the GoTL). GoA also funded the Technical Assistance (TA), which was provided by ILO – through its Employment-Intensive Investment Programme (EIIP).

Until the end of 2022 – when the EIIP TA to R4D ended – about half of Timor-Leste’s network of 1,975 kilometres of core rural roads was brought in good condition and was under maintenance.

This brought about many positive changes in the lives of rural people. During the construction and maintenance works, local workers were involved as much as possible and this created 2 million workdays of short-term employment. For many people, this was the first time in their lives that they had a paid job.

The income earned not only helped people in meeting daily living expenditures. Some of them also used (part of) the earnings – along with opportunities offered by improved rural road access – to start up a business or to improve their existing business.

In Timor-Leste, most people rely for their livelihoods on subsistence farming.

Better rural road access resulted in more traffic, better access to markets, more public transportation and lower transportation costs of inputs and products. This made it more attractive to increase or diversify agricultural production and produce for the local market.

For others it meant that they could revive their ailing (agricultural) business, improve their housing situation (lower costs of construction materials), offer more products in their local shops to local customers at lower prices, or could start a new business (for example as public transport provider).

Because of the lower transport costs, farm-gate prices that farmers received also increased – for example for coffee farmers. Some women used part of their earnings to attend skills training., resulting in an increase in household income.

Overall, the improved rural road access had positive effects on the economic livelihoods of many rural people of Timor-Leste. This included long-term spin-off jobs or income opportunities

Apart from the increase in economic activity and the economic benefits that were brought about by the improved rural road access, there were also very important social benefits.





Less time needed to be spent in fetching drinking water (freeing-up time for other activities) and access to (mobile) health services and education improved (including the construction of primary schools and health centres – which became possible because of the improved road access).

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The least tangible, but especially important, social benefit of R4D is the hope that it has given to rural people that R4D jobs and improved road access can “pave the way” to a better life.

R4D also benefited local contractors. At the start of R4D local contractors did not have sufficient capacities to execute R4D works. Through the ILO/EIIP implemented Enhancing Rural Access project (ERA) over 400 local contractors were trained. ERAs was funded by the EU (EURO 24 million funding) and was also implemented from 2012 to 2022.

R4D and ERA were implemented as “twinning” projects and worked together very closely. R4D assisted ERA in developing certified training curricula and in training and coaching contractors and their staff. This training also increased the ‘employability’ of the trained staff. R4D work contracts – awarded to contractors through competitive bidding procedures – formed a main source of income for the local contractors.

Capacities alone is not enough: capabilities are needed.

Within the GoTL, the Ministry of Public Works (MPW) – through the National Directorate for Roads, Bridges and Flood Control (NDRBFC) – is overall responsible for R4D. As part of the on-going decentralization process, responsibilities for the planning and implementation

of R4D investments are being transferred to Municipalities.

The EIIP TA had an important role in supporting MPW and Municipalities with the implementation of R4D. However, it had an even more important role to ensure that R4D’s model could be effectively sustained by GoTL from 2023 onwards, without further external support from EIIP.

Much attention was therefore given to strengthening capacities (potentials) and capabilities (creating an ‘environment in which potentials can actually be used’).

Capacity building support to GoTL’s staff directly responsible for R4D was ‘relatively’ straightforward as the implementation of agreed staff training plans was under direct control of the EIIP TA.

It became more complicated when MPW’s and Municipalities’ organizational structures, HR policies, design and construction standards, and systems and guidelines for the planning, procurement and implementation of R4D investments, needed to be developed or adjusted. To implement and institutionalize all of these, endorsement at ministry level was needed – and often even beyond.

Capacities versus Capabilities – Example

A Field Supervisor who has successfully undergone a training on all the aspects of field supervision has the capacity to do his/her work. If there is however no transport available to go to the field to supervise the works, he/she does not have the capability to do his/her work – in other words, there is no ‘enabling environment.’

This was something over which the EIIP TA had no direct control. The adjustment or development of systems for R4D sometimes also had implications for non-R4D infrastructure investments or projects within or outside MPW. This further complicated decision-making.

Most challenging and unpredictable was the situation where high-level policy and investment decisions were required for the creation of an ‘enabling environment’. These included decisions of the National Parliament, the Office of the Prime Minister, the Council of Ministers, or other ministries.

The EIIP TA had no direct control over these high-level policy decisions. Even concerted policy influencing activities were no guarantee to success. Because of high levels of political instability – in particular from 2017 to 2021 – the scope for engaging effectively in a policy dialogue to influence policy decisions was limited.



Why the EIIP approach in R4D was so successful

At the start of R4D, MPWE, Municipalities and local contractors were not very familiar with the EIIP approach. There was not much confidence in the feasibility of the EIIP 'labour-based approach' and the importance of the ILO's Decent Work Agenda was often not understood. Remarks like "local people cannot do these works, we need heavy machinery", "women should not do heavy infrastructure works", "disabled people cannot participate" and "why do we need so many occupation safety and health provisions", were often heard

The EIIP Labour-Based (LB) Approach

The LB approach makes optimum use of locally available labour, materials, and skills. As necessary, equipment is used to ensure the quality of works. EIIP always opts for applying climate-resilient solutions that are adapted to the effects of climate change – creating 'green job' in the process. The EIIP approach promotes the inclusion of the four pillars of the ILO Decent Work Agenda (DWA): rights at work, decent employment, social inclusion, and social protection.

Investments in rural road improvements were not high on the agenda of MPW in 2012 – let alone their maintenance. It was not thought of as a priority. MPW's infrastructure works focussed foremost on large infrastructure – like national roads.

To show that all these perceptions were wrong, much attention was given in phase I of R4D (2012 – 2017) to show the importance of investing in rural roads, the feasibility of the EIIP approach, and its advantages

over the 'heavy equipment approach' – which used to be the modus operandi in infrastructure works done by MPW and local contractors.

Much attention was also given to build awareness and recognition about the importance of integrating the DWA in planning, designing, and implementing of R4D works.

The EIIP TA worked within the MPW structure, alongside with counterparts. This set-up had many advantages. It facilitated building trusted working relations, assessing key capacity and capability constraints, advocacy for the EIIP approach. Entering in high-level dialogue with other concerned public stakeholders also became easier. This so-called "embedded" way of working was very effective. It also allowed for a quick start in addressing key constraints in capacities and those related to the required enabling environment.

R4D rehabilitation works started already in 2013. Gradually MPW and its staff came to appreciate the need for investments in rural roads and the appropriateness of the EIIP approach. From the second year onwards, much was done to advocate for R4D and its approach in a broader context – including key GoTL policy and decision-makers, the general public and development partners. A broad range of information-based advocacy materials was developed and used for this purpose.

From 2017 until 2022 – building on the foundation laid during phase I – the EIIP TA continued to provide support in capacity building, addressing issues related to the enabling environment, and the implementation of tasks for which MPW or Municipalities lacked the capacities.

Much was achieved.

Impressive results were achieved in strengthening GoTL's capacities and capabilities. Noteworthy results include:

- ▶ **R4D became the key rural roads program of GoTL:** GoTL formally recognized R4D as its leading rural roads program from the 6th Constitutional Government onwards (in 2015), with the labour-based approach endorsed as the selected work method
- ▶ **GoTL provided much capital funding for R4D:** GoTL already provided capital funds for R4D from the 2nd year onwards – quite unique in a donor-funded programme. GoTL invested USD 61 million in capital works between 2013 and 2022 and included funding for maintenance. Routine maintenance was carried out by (female) community-based routine maintenance groups – another innovative feature of R4D.
- ▶ **A key strategy and investment plan was put in place:** The GoTL endorsed the Rural Roads Master Plan and Investment Strategy (RRMPIS). It also provides a pathway to strengthening capacities and capabilities in the public and private sector
- ▶ **Systems and capacities were much improved:** Much progress was made in improving/developing systems, standards and capacities for the planning, design, procurement and implementation of R4D works. Functional units were set-up and institutionalized to support planning (like Geographic Information Systems unit) and quality control (like Regional laboratories).
- ▶ **Social and environmental safeguards were integrated in R4D:** These safeguards were successfully introduced. A Social & Environmental Safeguards Unit within MPW was set-up and institutionalized. Positions were created for Community Development Officers (CDOs) and Environmental Safeguards Officer
- ▶ **Minimum wage:** Nationwide, minimum wages were set for construction workers in the informal economy – like for casual labourers working in R4D projects
- ▶ **Accident insurance:** Accident insurance for R4D workers was successfully introduced
- ▶ **Equal pay:** An output-based remuneration system for R4D workers was introduced and this ensured adherence to the principle of equal pay for work of equal value
- ▶ **Equal opportunities:** Women's participation in R4D works ranged from 25 to 30% and about 1/3rd of the works contracts were awarded to female-headed companies. This is a great achievement in a construction sector that was before R4D fully dominated by men.
- ▶ **Climate-resilient and environmentally sustainable infrastructure construction:** R4D successfully tested and mainstreamed innovative and climate-resilient design options and standards. These included the choice of road pavements and the use of bio-engineering solutions to stabilize erosion-prone areas. This, together with the labour-based work methods that were used, ensured that there were no adverse environmental effects. Environmental licensing was introduced as well.



But there were also challenges.

Like so many projects that aim at strengthening capacities and capabilities in an environment characterized by very low capacities and considerable constraints at operational, institutional and policy level, The EIIP-TA support to R4D faced numerous challenges.

Whereas 10 years was a long period, experiences with similar projects show that a time-frame of not less than 15 years is more realistic to achieve an outcome as the one formulated for R4D: 'GoTL is effectively planning, budgeting and managing rural road works'.

When R4D was formulated in 2011, the intended outcome was already highly ambitious. At that time the assumption was that the GoTL would address identified key constraints and that political stability would continue.

Many of these assumptions did however not hold. This was particularly the case from 2017 onwards when R4D phase II started. This was at a critical time when R4D needed to start building on the strong foundations laid during phase I and focus on sustainability issues.

During phase II, identified key constraints in relation to R4D needed to be addressed, to accelerate the progress in creating an enabling environment. Another key target was to implement the RRMPIS.



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At operational level key issues related to a shortage of funding for capital works and operational costs, insufficient staffing, and substantial procedural bottlenecks for the approval of designs, cost-estimates, and contractors' payments.

Institutional reforms were also needed. Key issues related to clarifying responsibilities for rural roads in the context of the on-going decentralization, the need to institutionalize already developed or improved operational systems for R4D, and the need for a broad and high-level inter-ministerial road forum to coordinate and steer investments in the road sector.

At policy level, the main focus was on the implementation of the RRMPIS in all its aspects (investment levels as well as the development of public and private sector capacities and capabilities required for R4D

Because of high levels of political and fiscal instability from 2017 onwards, the scope for policy influencing in addressing above constraints, was limited. Lack of political will to establish the inter-ministerial road forum limited this scope even further.

As a result of the political instability, less progress could be made during phase II than foreseen in addressing key constraints. This adversely affected the progress in delivering R4D investments and, in turn, led to lower annual budget allocations from the GoTL State Budget for the subsequent – creating a vicious circle; only 25% of the investments as outlined in the RRMPIS materialized.

The EIIP-TA showed flexibility in adapting to the changing situation in phase II. Originally the intention was that, while gradually handing-over responsibilities to GoTL stakeholders, more attention would be

given to the institutionalization of already developed capacities, and to address key obstacles.

Because of the changed political situation, facing out the intended implementation support was slowed-down. Key constraints were not resolved and larger than anticipated capacity and capability gaps remained. Furthermore, because of a high turn-over of staff that had been trained during phase I, basic training for newly appointed staff was needed.

Although the identification of opportunities for influencing policy decisions continued, there was only very limited the scope for this.

The redirection from the original plan for phase II made sense in the changed context. Implementation support ensured that at least sufficient credibility and visibility was secured This was very important to ensure continued funding by the GoTL for R4D, and to keep the door for policy dialogue open.

The way forward.

Impressive results were achieved but there are not sufficient capacities and capabilities in place yet to enable R4D to continue as intended, without external assistance.

The still remaining key issues are well known and the role for future TA would be to advise and support the GoTL in addressing these issues. At the same time, further implementation support is needed. Transitioning responsibilities to the GoTL is doomed to fail if there are not sufficient local capacities and capabilities. Such transitions are gradual processes that take much time and cannot be accomplished overnight.

If these sustainability issues are not addressed soon, political interest in R4D might fade away and all the investments and efforts made in bringing R4D in the position in which it is today, could evaporate.

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