Second Timor-Leste Branch Roads Project

Terms of Reference for the Preparation of Environmental and Social (E&S) Instruments for the 54-km Road from Oeleu to Fatumea, Timor-Leste

1. Project Background

The Government of Timor-Leste, through the Ministry of Public Works (MPW), is preparing the proposed Second Timor-Leste Branch Roads Project (TLBRP2) with support from the World Bank. Building on the World Bank's long-term engagement in the Timor-Leste road sector, TLBRP2 will seek to improve resilient transport connectivity and enhance market access for agricultural producers along selected road sections. TLBRP 2 includes the following components.

- **Component 1: Gleno–Maubisse Corridor Upgrading.** This component (estimated US$ 35.2 million) will improve reliable, safe, and climate-resilient connectivity along the remaining sections of the Gleno–Maubisse corridor, linking agricultural production areas and tourism destinations with markets, processing and collection points, population centers, and the wider national road network. Investments will respond to identified climate and disaster risks, road-safety risks, and the access needs of farmers, traders, roadside communities, and tourists. The component will also support performance-based maintenance of the upgraded roads to protect the investments and demonstrate a more sustainable approach to road maintenance. The following activities are proposed:
- **Component 2: Institutional Strengthening.** This component (estimated US$ 2.0 million) will finance preparation of detailed engineering design (DED), bidding documents, and E&S assessment instruments required according to the Bank's Environmental and Safeguard Framework or ESF (2018) for the preparation of future investments in the road sectors, including the Oeleu–Fatumea Road (54 km). This component would also finance activities to strengthen MPW's capacity in road asset management and maintenance such as data collection on road inventory, condition, and traffic on national and municipal roads for supporting monitoring, planning, and programing of roadworks.
- **Component 3: Project Management Support** (estimated cost US$1.0 million financed by Government of Timor-Leste). This component will support effective project coordination, procurement, financial management, E&S risk management, contract management, monitoring and evaluation (M&E), and stakeholder engagement. Although fully financed by the Government, this component is included to reflect the project's full scope and provide a complete account of the institutional resources required for effective implementation.

2. Objective

This Term of Reference (TOR) is prepared to support Component 2 of TLBRP2 in preparing E&S assessment documents (instruments), particularly for upgrading the 54 km Oeleu–Fatumea road. The E&S instruments should be prepared to meet the requirements of the

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World Bank's ESF (2018) including related environmental and social standards (ESS). It should be noted that this assignment is planned to be conducted as part of the DED for this road.

The objective of preparing the E&S instruments is to assess E&S risks and impacts of the Oeleu–Fatumea road (54 km) at the earliest opportunity to identify potential issues that may affect the DED and vice versa. The E&S instruments to be prepared including their requirements are described below, and should include an E&S screening to determine the scope and depth of the Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP); Land Acquisition and Resettlement Action Plan (LARAP); Stakeholder Engagement Plan (SEP), and Labor Management Procedures (LMP); and Environmental and Social Commitment Plan (ESCP).

The consultant is required to work closely with the engineers under the same DED consultant and Road Sector Project Management Unit (PMU) of the MPW when preparing the E&S instruments to ensure that potential E&S issues and challenges associated with the proposed roadworks can be raised early and well addressed through the DED.

3. SCOPE OF WORKS

3.1 Environmental and Social Risk and Impact Assessment

The tasks to be undertaken by the Consultant in relation to undertaking the E&S risk and assessment in a systematic manner are described in the following.

E&S Risk Screening and Scoping. As the first step, the Consultant will undertake a screening and scoping exercise including determining the possible future project's area of influence in accordance with the World Bank's ESF and ESS as well as applicable national laws and legislation to identify key E&S risks and impacts including its sensitive receptors. This process is expected to determine the risk level of the project as high, substantial, moderate or low. Depending upon the risk level determined, the Consultant will determine the type, depth and coverage of baseline data and assessment to be prepared for the project that is proportionate to its risk level.

Drafting the Project Description. In close consultation with the engineers in the same DED consultant and the PMU, the Consultant shall develop a concise and adequately detailed description of the project, covering the project's cycle from pre-construction through to operation phases, should be prepared to enable identification of the impacts that would be generated. The preferred option determined under engineering studies, together with a detailed assessment of alternative upgrading options (including the "do nothing" option) should also be described.

In addition, the analysis of alternatives is to consider existing and projected traffic volumes and a quantitative and qualitative assessment of the E&S impacts associated with the options of (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, and (iii) upgrade to national road standards, in addition to the "do nothing" option. The project description drafted for the ESIA should also be applicable for other E&S instruments to be prepared for the project

Collecting Baseline Data and Information and Mapping of Sensitive Receptors. Following the risk screening and scoping describe above, the Consultant will collect and verify baseline E&S

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data and information through a combination of literature review, field visit/survey, sampling of environmental components for laboratory analysis and stakeholder interviews as well as consultations. The data and information collected will determine the sensitivity of each E&S component and serve as the basis for undertaking risk and impact assessment.

Risk and Impact Assessment. This task will identify, evaluate and manage the project's potential environmental and social risks and impacts within the project's area of influence in a manner consistent with the ESSs identified in the risk screening and scoping, where relevant:

- ESS1: Assessment and Management of Environmental and Social Risks and Impacts
- ESS2: Labor and Working Conditions
- ESS3: Resource Efficiency and Pollution Prevention and Management
- ESS4: Community Health and Safety
- ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources
- ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
- ESS8: Cultural Heritage
- ESS9: Financial Intermediaries
- ESS10: Stakeholder Engagement and Information Disclosure

The above assessment should apply the risk mitigation hierarchy to avoid E&S risks and impacts and, where avoidance is not possible, minimize or reduce the inherent risks to acceptable levels through a series of risk-based mitigation measures. Once the risk has been minimized, the residual risk should be assessed and if it remains considerable, compensation/off-set measure should be defined and implemented where technically and financially feasible.

The risk and impact assessment should also adopt measures so that adverse impacts do not fall disproportionately on disadvantaged or vulnerable people instead that they need to have access to development benefits that the project creates. Furthermore, the mitigation measures should also enhance the Client's capacity to promote better E&S performance throughout the project's cycle.

Drafting the ESIA and ESMP. The ESIA shall be drafted for review by PMU and the Bank and include coordination and consultation with affected people and other interested parties to ensure that all potentially significant E&S risks and impacts within the project's area of influence are identified and addressed. Outcomes of this consultation must be integrated into the design process (including alternative analysis) and the assessment of the project's E&S risks and impacts. Consultation must also assess the level of stakeholder interest and support for a possible future project and enable stakeholders' views to be considered in project design and E&S performance.

The Consultant shall prepare an ESMP as per World Bank's ESF, that shall be site- and project specific to the E&S conditions and settings. The ESMP shall include practical action of mitigation, monitoring and institutional measures proportionate to the risk level of each E&S impact during implementation and operation of a project. The ESMP shall include, among others:

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- summary of all anticipated adverse impacts, including those involving indigenous peoples or involuntary resettlement,
- each mitigation measure in technical detail,
- estimate of the potential impacts of the measures themselves,
- types of monitoring to be undertaken, specified parameters to be sampled and monitored, sampling locations, frequency and threshold values indicating the need for corrective action,
- responsibility for each mitigation and monitoring measure,
- capacity building and training to strengthen implementing agencies' capability, and
- Implementation schedule and cost estimates for ESMP implementation.

3.2 Land Acquisition and Resettlement Action Plan (LARAP)

The Consultant shall undertake a land due diligence on Project land requirements, summarizing the area of land required or affected and a detailed work plan for acquisition, including willing buyer willing seller, leasing and / or involuntary acquisition and resettlement where applicable. Where a LARAP may be required, the consultant shall prepare it according to the requirements of ESS 5, including a detailed methodology, mapping of affected areas and communities, timeframe, engagement methods, alignment with Indigenous Peoples engagement approaches and an organizational structure and schedule for execution. LARAP should also clearly indicate the expected timeframe for mobilizing a registered appraisal aligned with the schedule for asset inventory and valuation activities.

If LARAP is required, the consultant shall prepare a related plan, documenting: magnitude of potentially affected people, their current land uses and livelihoods, vulnerable people or groups, results of any stakeholder engagement, entitlement matrix outlining and a detailed methodology for completing the census, mapping of affected areas and communities, timeframe, engagement methods, alignment with Indigenous Peoples engagement approaches and an organizational structure and schedule for execution.

The quality of ESS5 is dependent upon up-to-date, reliable information on the project and its potential impacts on displaced people, feasible mitigation measures, and the legal and institutional arrangements as well as funding needed to implement them. Key aspects to be included in the LARAP are, among others:

- introduction and summary of project description,
- potential impacts and project-affected people, including the eligibility criteria for compensation under national law or ESS5,
- policy and legal framework and then identification of the gaps between the ESS 5 and national laws and regulations and actions to bridge them,
- socio-economic baseline, covering a census and asset inventory of affected households,
- implementation, compensation and other assistance including the entitlement matrix,

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- consultation and participation including description on how vulnerable groups are involved,
- livelihood restoration to restore the livelihoods of affected people,
- grievance redress mechanism,
- monitoring, evaluation and reporting,
- timetable and budget for land acquisition and resettlement, and
- institutional responsibilities for implementation.
- socio-economic baseline, covering a census and asset inventory of affected households,
- livelihood restoration to restore the livelihoods of affected people.

3.3 Stakeholder Engagement Plan, Consultation and Information Disclosure

The Stakeholder Engagement Plan (SEP) including the provisions of disclosure of project related information shall be prepared by the Consultant according to the requirements of ESS10 to assist the Client to systematically identify project-affected parties, engage with them and maintain a constructive relationship with them. The SEP analyses the level of stakeholder interest in and supports the project and enables the stakeholders' views to be considered in project design and in E&S risk and impact assessment. It provides means for effective, inclusive engagement with project-affected parties throughout the project life cycle on issues that could affect them.

The SEP includes the requirement for information on environmental and social risks and impacts to reach stakeholders in a timely, understandable, accessible manner and format. Further, it includes a grievance redress mechanism for project-affected parties to raise issues and grievances as well as obtaining responses and resolutions. Topics covered in the SEP are, among others:

- A summary of project description and its anticipated impacts,
- the stakeholder groups identified,
- engagement programs (e.g., topics, notification, methods, disclosed documents, languages, consultation period),
- resources and responsibilities, and
- grievance redress mechanism defined with schedule and accountable parties with contact information.

The Consultant shall undertake consultations with local people, relevant official/community leaders on the project design, its potential impacts and the proposed E&S mitigation measures as an ongoing process during the design phase. People living along the length and proximity of the road or with assets or land near the road shall be informed about the future project and consulted on its design as well as informed of the grievance mechanisms in place.

These consultations should be free, prior and informed with the aim of achieving broad community support for the project for construction activities to begin. Detailed consultations shall also take place with any landowners that are identified as being impacted by the work

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with the aim of agreeing on appropriate compensation approaches or voluntary donation, if applicable.

3.4 Labor Management Procedures

Labor Management Procedures (LMP) should be prepared by the Consultant for the project to meet the requirements of ESS2 and follow prevailing, national laws and regulations. It plans the project to identify resources needed to deal with its labor risk and impacts and the types of project workers likely to be involved, such as direct, contracted, community and primary supply workers. The LMP is a living document. It starts early in project preparation and is updated throughout development and implementation

Risk management. The LMP assesses key labor risks, such as hazardous-typed work, child or forced labor, migrant or seasonal workers, labor influx and gender-based violence, and accidents. It may also include measures for risks from interaction between workers and local communities. The level of detail depends on the project type, the size and location of the workforce, and how far national law satisfies ESS2.

4. KEY DELIVERABLES

In coordination with the PMU, the Consultant will prepare the following E&S instruments, including good report format of tables, illustrations, figures and map to support the narratives in these instruments. All deliverables will be submitted in English in an editable electronic format for the following:

- ESIA and ESMP report, including a concise memo describing the result of E&S risk screening and scoping;
- LARAP, including detailing the people and assets affected, compensation rates, GRM, among others.
- A SEP, including stakeholder identification and analysis, an information disclosure and consultation program, measures for disadvantaged or vulnerable groups, and the design of the GRM.
- LMP that address the anticipated categories of project workers and relevant labor and working-condition risks.
- Meetings and consultations as required and producing minutes of meeting related to E&S aspects.

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