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World Bank and Ministry of Finance Launch Dili-Ainaro Road Project

DILI, November 18, 2013 – Today the Ministry of Finance and the World Bank signed a new financing agreement for US\$40 million which will rehabilitate the 110km road corridor from Dili to Ainaro.

The ceremony in Dili was attended by **Mr. Luis Constantino, World Bank Country Manager for Timor-Leste** and **Ms. Emilia Pires, Minister of Finance**, and brought together representatives from the Government, ADB and other development partners.

The road from Dili to Ainaro is a vital link between the north and the south of the country and connects three districts—Dili, Aileu and Ainaro—which jointly account for a third of the country's population, including thousands of small farmers.

"We are very pleased to conclude this process with the World Bank and are looking forward to continue working together during the implementation phase of the project," said **Pires**.

"Improving our country's infrastructure is a key component of our strategic development plan 2011 - 2013. We need good roads and bridges in order to build a stronger economy for the people of Timor-Leste. The Dili-Ainaro road project is another step in the right direction for our country."

"High quality transport infrastructure is key for achieving a strong and diversified economy, that widely benefits the Timorese people," said **Constantino**.

He added, *"The Dili-Ainaro road is a lifeline for many. Its regeneration is critical for connecting people to markets, to each other, and to services like hospitals and schools."*

The new credit and loan funding will build on the first Timor-Leste Road Climate Resilience Project, launched in 2011, which delivered emergency repairs along key sections of the road, where road closures were frequent due to flooding or damage caused by heavy rainfall.

The new funding will now focus on rehabilitating the entire road corridor across the three districts. Construction works will stabilize slope structures, improve drainage and repair pavements. The project will also support feasibility studies and detailed designs for possible future road improvements linked to the Dili-Ainaro corridor.

An emergency maintenance and response system will also help the Government plan for managing extreme weather events, such as landslides and heavy rain.

The project is being implemented by the Ministry of Public Works and is being financed with US\$40 million from the World Bank's IDA (US\$25 million) and IBRD (US\$15 million) lending windows. The Government of Timor-Leste will contribute US\$47 million to the project.

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