



TIMOR LESTE
Country Strategy Paper

Bilateral Aid Programme 2003-2005

Emergency Recovery Unit

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Map No. 41 99 - UNITED NATIONS
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Acronyms

ABP	Area Based Programme
AIDS	Acquired Immune Deficiency Syndrome
AUSAID	Australian Government Aid
CAVR	Commission for Reception Truth and Reconciliation
CFET	Consolidated Trust Fund for East Timor
CRS	Catholic Relief Services
DFID	Department for International Development (UK)
ETDAP	East Timor Direct Action Programme
ETTA	East Timorese Transitional Authority
FFDTL	Falintil - Forças De Defesa De
FINNIDA	Finnish Development Cooperation
HIV	Human Immuno-Deficiency Virus
NORAD	Norwegian Development Cooperation
PAEG	Project Appraisal and Evaluation Group
REDE- FETO	Women's Network
TFET	Trust Fund for East Timor
TSP	Transitional Support Programme
UNMISET	United Nations Mission in East Timor
UNTAET	United Nations Transitional Administration in East
Timor	

Executive Summary

Timor Leste¹ achieved formal independence on May 20, 2002, after 25 years of Indonesian occupation and a further 2 years of transitional UN Administration. During that compressed transition period, Timor Leste faced the difficult task of rebuilding a country devastated by the violence of September 1999.

Timor Leste, as one of the poorest countries in Asia, will face enormous challenges over the next three-years. The economy will not be able to generate adequate revenues to fund the delivery of essential services and reduce poverty; incipient institutions of government will face acute capacity challenges forcing Timor Leste to be dependent on donor finance, technical assistance and external policy advice in the medium term; the high expectations of the general population; and the impact of significant oil and gas revenues coming on stream in 2006.

The present Development Cooperation Ireland programme has been in operation since November 2000. Approximately €7 million has been disbursed to support reconstruction and institutional development. Preparations for the new Timor Leste Country Programme Strategy began early in 2002 and included a number of Development Cooperation Ireland missions to the country.

The overall objective of the Development Cooperation Ireland Timor Leste Country Strategy 2003-2005 is to ***assist the Government of Timor Leste (GoTL) and civil society to achieve the vision set out in their National Development Plan through consolidating the gains made to date in the transition period, ensuring a stable environment for development, and contributing to poverty reduction through the delivery of essential services, institutional capacity building and the strengthening of governance.***

The programme will have *five key focal areas*, each of which will address key barriers to development in Timor Leste:

- 1) fund the National Development Plan's primary objective of poverty reduction. Development Cooperation Ireland, via a World Bank Trust Fund, will contribute support to the GoTL's programme of poverty reduction through the delivery of basic services and a sound governance framework;
- 2) address the limited administrative, managerial and technical capacity in Government by supporting international technical advisers to mentor East Timorese counterparts in the public service;

¹ Democratic Republic of Timor Leste is the official name of the country since May 20, 2002.

- 3) strengthen local government and build local institutional capacity to deliver services effectively in remote rural areas, where the majority of the population live and poverty is widespread;
- 4) promote gender equality in policy development, Government institutions as well as supporting civil society to build an advocacy capacity within the constituency concerned with gender equality;
- 5) contribute to the promotion of a human rights culture and democratisation through the promotion of reconciliation and civic education.

The strategy recognises that Timor Leste is, and will continue to be, in a state of transition for some years to come. It recognises that decades of systematic underdevelopment need to be addressed over the long-term and that sustained international assistance is vital to this end.

The Programme builds on the experience of Development Cooperation Ireland to date by emphasising the need to consolidate the gains made in the past two years, while at the same time deepening the level of engagement with the Government of Timor Leste and taking a more proactive role in a number of strategic sectors.

1. Introduction

Development Cooperation Ireland's current programme to Timor Leste commenced in November 2000 with the establishment of a Representative Office and the approval of IR£1million for a humanitarian and reconstruction assistance programme. A **Transitional Country Strategy Paper** was approved by PAEG in May 2001, covering the period 2001-2002. This set out a *framework for assistance focusing on support for the establishment of government structures in the transition period*. It carefully targeted assistance to fill critical gaps in the post-conflict situation, especially in meeting basic needs, developing institutional and human resource capacity and addressing human rights and governance. Approximately €7 million has been allocated to a variety of programmes in Timor Leste to date.

Preparation for the Timor Leste Country Programme Strategy 2003-2005 commenced early in 2002. Reviews were carried out of the ongoing programme and studies were undertaken on Gender and Local Government. This **Country Strategy Paper** has been formulated following the Country Planning Mission which took place in November 2002. The Planning Mission included meetings with Government officials, UNDP, the World Bank, and a number of bilateral donors. The proposed new strategy was finalised after further consultation with the GoTL, the mission team, and HQ. While emphasizing the need to consolidate the gains made in the programme to date, the strategy also adopts a more proactive approach in a number of strategic areas which, conform closely to Development Cooperation Ireland's policies and priorities

2. Political Context

The twenty-five year occupation of Timor Leste by Indonesian forces came to an end in September 1999, following a UN sponsored ballot returning a unanimous vote in favour of independence. As the Indonesians and their associated militia groups withdrew, they destroyed 80% of the physical infrastructure and displaced over 50% of the population.

The UN governed Timor Leste in the wake of the withdrawal of Indonesia. The United Nations Transitional Administration in East Timor (UNTAET) was established under Resolution 1272 with full legislative and executive authority to oversee a transition to a fully independent state. The Special Representative of the Secretary General (SRSG) was the territory's Transitional Administrator. The UN assisted a political transition that involved a series of fundamental institutional transformations. Following elections in August 2001 a Transitional Government was installed which in May 2002 became the 1st Constitutional Government of the Democratic Republic of Timor Leste (RDTL).

Frente Revolucionaria de Independente (Fretilin) dominates the current Government, and has an overall majority in the current Parliament winning 55 out the 88 seats. The opposition is fragmented with the remaining seats divided between 10 parties and one independent.

The former guerrilla leader, Xanana Gusmao was elected as a non-executive President on 14 April 2002 with 82% of the vote and continues to enjoy considerable moral authority and public support. He is not a member of Fretilin and is often perceived as a countervailing force to the governing party.

As a result of the compressed timeframe for institutional development in Timor Leste, there remain serious capacity gaps in the public administration particularly in management, policy development and service delivery. In response to the fragility of the incipient institutions, the UN established a follow-up mission to UNTAET, the United Nations Mission in Support of East Timor (UNMISSET) in May 2002. UNMISSET has overall control of the security sector including the police. UNMISSET is due to complete its mandate by mid 2004 when responsibility for civilian security will be handed over to the police.

Recent social unrest, arising from a combination of factors such as the high expectations of the population, some post independence political fragmentation and a communication deficit between the Government and the general population, has exposed weaknesses in the police force. This has prompted UNMISSET to re-examine its capacity building role and develop a more strategic approach to institutional development for the police service.

Relations with Indonesia are slowly being normalised, and continued dialogue between the two nations takes place through a joint commission. Of the 250,000 refugees who were displaced in West Timor, approximately 220,000 have now returned. Although reintegration has been relatively peaceful, there have been some disturbances with returning refugees. It is predicted that these incidents may increase if the legacy of violence and human rights abuses is not addressed.

In response to the legacy of past abuses and the need for public acknowledgement of them, a Commission for Reception, Truth and Reconciliation was established in January 2002 to undertake a truth-seeking enquiry into the past and to encourage community reconciliation, reception and victim support. Public hearings have already commenced and a report will be published at the conclusion of the Commission's mandate presenting its findings and recommendations for further Government action.

3. Socio-Economic and Poverty Context

Timor Leste ranks as one of the world's least developed countries. Over 85% of the population lives in rural areas; 40% of the population lives below the poverty line; and annual GDP is estimated at US\$ 478. Timor Leste's population of approximately 800,000 is primarily young, with approx. 44% of the population below the age of 15. The following tables sets out some stark indicators of Timor Leste underdevelopment and provide some comparative figures.

Table 1

Health/Education Indicators	Timor Leste	Bangladesh	Mozambique
Literacy rate	43%	40.1%	42%
Infant Mortality Rate (per 1000 births)	80	79	129
Child mortality rate	143.5	106	206
Maternal mortality rate	800 per 100,000 births	440	1100
Life expectancy at birth	57 yrs	58	43.4

The country's poor level of economic development can be attributed to the systematic underdevelopment of Timor Leste under both Portuguese and Indonesian rule; a country devastated by the violence of September 1999; and the departure of senior level Indonesian civil servants as well as health and education professionals. As a result of these departures there are major resource constraints in the capacity to deliver services and to administer the country. Despite the return of some East Timorese from exile, new managers, technical specialists and teachers (for all levels) are urgently needed to be trained.

While the economy has made some recovery, the underlying economic situation has been severely distorted by large inflows of external aid. These inflows have played an important role in financing domestic consumption and investment over the past two years. While GDP growth of 18% was recorded in 2001, the size of the real economy is still less than 90% of what it was in 1997, standing at approx. US\$380 million.

The GoTL will face a difficult annual budgetary situation with an estimated financing gap of US\$90 million over the next three years. With the anticipated exploitation of the considerable oil and gas resources in the Timor Gap, the associated revenues should ensure that Timor Leste is beginning to move from aid dependence to fiscal independence by the end of 2006.

The most important economic challenge for the new Government is to foster sustainable development, particularly in the rural areas, where a high percentage of the population lives below the poverty line. There is also a pressing need to build capacity within Government institutions to foster economic growth and strengthen democratic institutions to ensure stability and prosperity over the long-term.

4. Key Cross Cutting Issues

4.1. Governance

Increasingly governance is seen as a combination of formal institutions of governance and broader civil society involvement in decision-making and development processes. This understanding is clearly acknowledged in the National Development Plan (NDP). In particular, the NDP focuses attention on

public sector management capacity, developing and implementing a policy on local government, and building a human rights culture.

Under Indonesian rule, almost all management and technical positions were filled by Indonesians with East Timorese confined to the lower levels of the bureaucracy. Today, the vast majority of civil servants are neither adequately experienced nor trained for the roles they undertake. The public administration suffers from weak organisational structures, with specific resource gaps in financial capabilities, policy skills and managerial capacity. Technical assistance and capacity building in these areas will be vital to deliver on the goals of the NDP.

The need for political decentralisation is stressed in Timor Leste's constitution and in the NDP². The importance of moving Government closer to the people and of developing the institutional capacity to deliver services locally is widely recognised. A sound local government policy framework will enhance democratic participation and accountability through active citizenship with a positive net benefit to remote rural communities. Given the level of extreme poverty in Timor Leste, the Government will have to deliver quickly on the provision of essential services if it is to maintain its credibility. An effective decentralisation policy will be key in this regard.

4.2. HIV/AIDS

While the growing incidence of HIV/AIDS in Asia is well documented, the rate of infection in Timor Leste is thought to be low. The challenge is therefore to ensure that the spread of HIV/AIDS is controlled and that people are made aware of the risks. A number of strategies for addressing the problem are included in the NDP, such as information, education and communication campaigns targeting vulnerable groups and individuals, developing the capacity of health workers and community groups, the establishment of voluntary counselling and testing services, and the management of sexually transmitted infections.

Considerable investment is planned in this sector with the support of a number of donors such as AusAID, WHO, UNDP and USAID. Development Cooperation Ireland will continue to be open to and explore possible options for support towards HIV/AIDS programmes at national level in the future.

4.3. Gender

Women account for just less than half of the population of Timor Leste. Women's health and education indicators are poor. Over two thirds of East Timorese women cannot read or write and maternal mortality rates are estimated at 800 per 100,000 live births. Women played an important part in the resistance, both in direct combat and within the clandestine movement, and were victims of human rights abuses during this period, where rape was used a weapon of oppression. Women's organisations are

² NDP, pg. 40

beginning to respond to this legacy through the provision of counseling services and victim support.

In June 2000, the first National Women's Congress produced an agreed Platform for Action, which highlighted a number of important issues. These included access for women to health and education, ensuring justice for violations carried out during the occupation period, addressing the problem of violence against women and ensuring a minimum of 30% female representation in public life³.

The NDP identifies poverty reduction as its primary objective and further explicitly recognises that gender equality is crucial to eradicating poverty.⁴ Gender mainstreaming is elaborated as a core guiding principle in the NDP but already there is evidence that this commitment is not followed through in sectoral programmes⁵.

The new constitution expressly prohibits discrimination on the grounds of gender. The Government has established an Office for the Promotion of Equality (OPE), strategically located in the Prime Minister's Office. Like other agencies in Government, the OPE suffers from severe capacity constraints, including a limited budget. Despite a significant study on the status of women in post conflict Timor Leste funded by Development Cooperation Ireland, there continues to be a dearth of primary data on women, due to the destruction of the national archives in 1999 and the absence of gender disaggregated data collected by agencies since then.

The OPE faces a difficult task in the coming years. However it is committed to consolidating the gains made over the last three years by ensuring that gender equality is a core guiding principle in all government development programmes. OPE aims to influence new government policies in a number of strategic areas, inter alia, health, education, justice and economic empowerment.

4.4. Environment

Timor Leste is a mountainous country with soils of low fertility that are prone to erosion due to a combination of heavy rainfall during the wet season, deforestation and overgrazing. As a result, many parts of the country are regularly affected by landslides and flooding. Water is in short supply during the dry season and the quality is poor. In the urban areas, pollution and the lack of adequate waste management are particular challenges.

³ At political level, twenty seven percent of those elected to the Constituent Assembly were women in August 2001, one of the highest percentages of women in both regional and global terms. However since then two women members resigned bringing the total down to 25%. The target of female public service employees fell short by 5% of the overall target of 30%. Women are poorly represented at senior managerial level in all sectors.

⁴ National Development Plan, pg 26

⁵ Report to the Council of Ministers from the Ministry of Planning and Finance on Coherence of Sectoral Programmes with the NDP, November 2002

Forest resources are still widely used by households who depend on wood for fuel, for construction and for traditional medicine. However, very little forest now remains in the country and effective management of resources has only been achieved where the forest area has been clearly defined and recognised by the local community.

The NDP places a high priority on conserving and protecting natural resources and the environment in Timor Leste through sustainable development planning. Two Government agencies, the Department of Minerals and Natural Resources and the Division of Environment, are responsible for the development and management of natural resources, including mineral resources, and the environment. UNDP will field an assessment and planning mission in 2003 to support the work of government.

Further consideration of environmental issues will be given in light of the findings of the proposed local government study.

5. Current Programme

The overall objective of the current Development Cooperation Ireland's programme in Timor Leste is *"to alleviate the material consequences of the recent conflict, contribute towards the immediate needs of political development and institutional capacity building, whilst simultaneously creating the conditions for an appropriate longer-term engagement by Development Cooperation Ireland in Timor Leste"*. This objective emanated from the first Country Programme Planning exercise, which took place in March 2001. In addition three specific components were outlined

- *Support to the Trust Funds*
- *Support to the Transition*
- *Supporting the Recovery Process*

5.1. Support to the Trust Funds

Development Cooperation Ireland provided support to two Trust Funds established in the aftermath of the violence of September 1999. The first fund is the *Trust Fund for East Timor* (TFET); this was set up to finance reconstruction of physical and social infrastructure and is administered by the World Bank (WB) and the Asia Development Bank (ADB). The second fund is the *Consolidated Fund for East Timor* (CFET); this was set up to finance the recurrent costs of administering the country. The CFET was operational until June 2002 when it was replaced by the *Transitional Support Programme* (TSP).

The rationale for support to the Trust Funds emerged from the need for highly coordinated action from donors in the immediate post conflict context. There was a clear rationale for channeling resources through multi donor mechanisms rather than attempt to establish a bilateral programme at a

time when administrative and political structures were evolving and aid absorption was problematic.

The *TFET* was established in early 2000 and concentrates on post conflict reconstruction including physical rehabilitation of key social and economic infrastructure, core sectoral policy development and support to recovery of the private sector and economic institutions. Development Cooperation Ireland provided over €500,000 to the fund in November 2000. Mid term reviews of sectoral programmes ensure that TFET funded activities are in line with Government priorities identified in the NDP. Disbursing at a rate of US\$4m per month, it is anticipated that the TFET will be expended by mid 2004.

The *CFET* was established in late 1999. When UNTAET administered East Timor, there were no mechanisms to generate internal revenues to fund basic services or to establish a public administration. UNTAET therefore established a second Trust Fund for East Timor, which consolidated internal revenues as they were generated and donor resources to finance all the *recurrent expenditures* of the East Timorese Transitional Administration (ETTA). Development Cooperation Ireland provided a total of €1m to the CFET annual budget of approximately US\$65million over two financial years. By May 2002, internal revenues were approximately 40% of CFET while donor resources accounted for the balance.

The *TSP* (which has now replaced CFET) allows donor funds to be channelled into the national budget through a trust fund arrangement with the World Bank. The TSP was developed to address the large budget deficit anticipated over the next three years and to enable the implementation of the Government's development programme. The TSP is an important channel for dialogue (including on the Poverty Reduction Strategy Paper) between donor partners and the Government; it facilitates enhanced coordination in support of the NDP; and it reduces the transaction costs to Government associated with a multiplicity of bilateral arrangements in support of the NDP.

The TSP is administered, monitored and part funded (through a post conflict grant) by the World Bank, supported by a number of bilateral donors, including AusAID, USAID, DfID and Development Cooperation Ireland. Development Cooperation Ireland contributed the equivalent of €1m to the TSP in the financial year 2002/03. In addition to financial support, technical assistance is also provided through the UNMISSET, UNDP and from a number of bilateral donors, including Development Cooperation Ireland.

5.2. Support to the Transition

This component of the current programme focused on *institutional strengthening and capacity development* in governance and the public sector. Assistance was channeled to election support, including a civic education programme, research on gender issues, planning consultations

and technical assistance advisers to the nascent public administration. The following are the main elements of this programme:

The *UNDP Electoral Assistance Programme* provided support towards a range of activities leading up to the elections for the Constituent Assembly and the Presidency, including civic and voter education, electoral observation and capacity building

During the period of the UNTAET administration, Development Cooperation Ireland supported *the work of the Gender Affairs Unit (GAU)* through funding research on the health, education and economic status of women in East Timor. The analysis helped to identify information gaps and determine priorities for follow-up. The research report, which was launched by the Prime Minister in June 2002, is widely recognised as an important resource document that will continue to inform policy.

The legacy of the GAU is impressive in a number of areas; it helped to ensure the establishment of an Office for the Promotion of Equality (OPE) within the Prime Minister's Office. This office has a mandate to promote gender equality and directly advise the Prime Minister on gender issues. Through a strategic partnership with civil society, the GAU placed women's political participation firmly on the UN Agenda and lobbied for affirmative action in public service recruitment. In recognition that these gains may be difficult to sustain and consolidate, Development Cooperation Ireland subsequently provided support for the recruitment of a Policy Advisor at the OPE. The Advisor is strengthening institutional capacity through training, commissioning additional research, publishing and disseminating information on gender issues to government ministries and the general public.

As a part of the preparations for producing the National Development Plan, *the Civil Society Consultative Commission on Development*, headed by Xanana Gusmao, was established in late 2001. Development Cooperation Ireland agreed to fully fund this important exercise. The Commission undertook countrywide consultations on planning, which enabled the people to participate directly in the NDP planning exercise. The population overwhelmingly identified education and health as its two top priorities. In addition to having a say in the process, this consultation created an important precedent for civil society engagement with government's policy and planning. A local language version of the plan entitled '**Our Nation, Our Future**' was published during Independence and distributed widely to communities as part of the feedback mechanism of the consultation.

Development Cooperation Ireland provided support to the *UNDP Umbrella Technical Assistance Programme*. Since independence in May 2002, East Timorese nationals have taken on more complex management roles and responsibilities in the new Government. In many cases, these civil servants do not have previous experience in public administration and their technical and managerial skills are limited. As a result, there is a significant shortfall of management expertise and an administrative deficit to be addressed.

The deficit is being addressed in two ways. Firstly, UNMISSET has placed 96 international technical advisers into posts that are considered essential for political stability. These are funded directly by UN Assessed Contributions. Secondly, the GoTL identified an additional 200 posts that require international technical advisers. UNDP established a basket fund to finance these positions and has undertaken the recruitment and performance management of the posts in partnership with GoTL. Development Cooperation Ireland contributed €800,000 to this fund.

Given the serious deficit within the public service, technical assistance will continue to be required in Timor Leste for at least the next two years to strengthen the capacity of the Government to delivery essential services. Continued support to the UNDP Umbrella Technical Assistance Programme will form a central focus for Development Cooperation Ireland's next programme strategy for Timor Leste.

The *Commission for Reception, Truth and Reconciliation* was established in January 2002. The three main objectives of the Commission are: to inquire into and establish the truth about human rights violations committed in Timor Leste between April 1974 and October 1999; to support the reintegration of those who

have committed minor crimes or harmful acts in the past, through a community reconciliation process; to submit a report to the Government on the Commission's findings and make recommendations as to how to prevent future recurrences of human rights violations. Public hearing have started and there is strong community support for the work of the Commissions. Development Cooperation Ireland has supported the work of the Commission to date.

5.3. Support to the Recovery Process

This is a locally managed small grants programme (East Timor Direct Action Programme- ETDAP) which allows Development Cooperation Ireland to respond to emerging district priorities, especially in respect of small scale rehabilitation and community based projects. Four districts were identified for assistance under the programme and support has also been provided to high priority, small-scale initiatives at national level.

During the pre independence period, the UNTAET administration concentrated on strengthening institutions at national level but little or no attention was paid to the development of local institutional capacity, either at district or at sub-district level. District administrations in Timor Leste are severely handicapped by the lack of resources available to them to respond to locally identified problems. The flexible approach adopted in the

implementation of the ETDAP has provided an important entry point for Development Cooperation Ireland into the districts and enabled it to respond to emerging local priorities. It has also helped Development Cooperation Ireland to identify gaps in local institutional capacity and has become an important source of learning to inform policy discussions at national level, particularly with the Ministry of Internal Administration.

The GoTL identified the need to define a policy for decentralisation as a benchmark for the action matrix of the TSP. The Ministry of Internal Administration requested Development Cooperation Ireland to assist in the development of terms of reference for an options study on local government⁶. An Inter Ministerial Technical Working Group was established to facilitate drafting terms of reference and the Development Cooperation Ireland Public Sector Management Specialist made two visits to Timor Leste in 2002 to provide technical support for this process. Following a wide consultation with Government at central and district level, as well as with civil society, UN and donors, the TORs were completed and endorsed by an Inter Ministerial Political Steering Committee, chaired by the Prime Minister in September 2002.

The Minister of Internal Administration has requested Development Cooperation Ireland to further support the implementation of the study. This will now form a part of Development Cooperation Ireland's proposed future strategy for Timor Leste.

6. Future Strategy

6.1. The Vision and Development Strategy of the Government of Timor Leste

In the eight months prior to Independence, the Government undertook a series of studies⁷ and consultation exercises in order to develop a *National Development Plan* (NDP). The NDP lays out a strong framework for national development and was well received by Timor Leste's development partners. Despite the short timetable to produce the NDP, the Government undertook an intensive consultative process with civil society, which set out a national vision through to the year 2020 based on the UN endorsed Millennium Development Goals (MDG).

The *vision* distilled from the participatory process, envisages a democratic, prosperous and peaceful Timor Leste, where rule of law and human rights are respected, and the environment, traditions and customs of the people are preserved. It envisages a market system with a strong role for the

⁶ Please see annex one for the Terms of Reference for this Option Study on Local Government.

⁷ Development Cooperation Ireland supported some of these studies.

private sector and a strategic and regulatory role for Government including the provision of basic services and social safety nets. It anticipates a Government that is efficient, transparent, respectful of human rights and free from corruption, and a country whose people are healthy, literate, skilled and gainfully employed.

BOX 1 Development Goals and Poverty Reduction Strategies

Two key development goals have been defined that focus on poverty reduction⁸, namely:

- To reduce poverty in all sectors and regions of the nation
- To promote economic growth that is equitable and sustainable, improving the health, education, and well being of everyone in Timor Leste.

The main elements of the poverty reduction strategy⁹ are:

- To create an enabling environment that generates opportunities for the economic participation of the poor, improving their productivity and enhancing their incomes
- To provide, or facilitate the provision of basic social services to the poor on affordable terms
- To provide security of person and property, and protection from unforeseen shocks and disasters, including food security at both the household and national levels
- To empower the poor and other vulnerable groups, and enable them to decide upon and manage development in their own areas.

The National Development Plan is ambitious in its scope, particularly as technical and managerial capacity remains weak. Therefore continued assistance from the donor community will be critical to see through the objectives of the NDP. The NDP commits to building on the agreed programme for governance and capacity development supported by UNDP and other bilateral donors. The tools for capacity enhancement to achieve these goals have been identified in terms of continued expatriate technical advisers, policy development advice, training, mentoring and external financial resources. External financial resources will be particularly critical as the government faces an annual budget deficit of approximately US\$30million.

The key mechanism to operationalise the National Development Plan is the preparation and implementation of annual action plans by Ministries. These plans are linked to the budget process and donor resources. In order to meet the financing gap, the Government and donors have developed an agreed funding mechanism, the Transitional Support Programme (TSP).

⁸ NDP, pg. 1

⁹ *ibid*, pg. 36

6.2. Development Cooperation Ireland Timor Leste Country Programme Strategy 2003 –2005.

The overall objective for development cooperation between Ireland and Timor Leste in the period 2003-2005 is to ***assist the Government of Timor Leste and civil society to achieve the vision set out in the National Development Plan through consolidating the gains made to date in the transition period, ensuring a stable environment for development, and contributing to poverty reduction through the delivery of essential services, institutional capacity building and the strengthening of governance.***

Timor Leste's formal independence in May 2002 signaled a new phase in the partnership between the Government of Timor Leste and Development Cooperation Ireland. In the first three years of the post-independence period, the economy will not generate adequate revenues to fund the delivery of essential services, reduce poverty and meet the expectations of the people who have strived for so many years to end Indonesian occupation. Timor Leste will continue to be dependent on donor support and technical assistance, at least in the medium term, and possibly beyond that period.

Apart from the large budget deficit, the country faces the major challenge of building the necessary institutions of Government and the human capacities to deliver basic services to its people. It will be essential to consolidate the gains made during the period of the UN administration and ensure that the necessary Government institutions, the democratisation process, and the development of a human rights culture are strengthened beyond the point where they can be undermined by a change in government or by an external shock. It will also be important to ensure that a balance is struck between meeting the basic needs of the population and concentrating resources on institutional and human capacity building. The new Country Strategy Programme will, working closely with the Government and donor community play a key role in the achievement of these aims.

6.3. Programme Strategy

- Deepen the level of engagement with the Government of Timor Leste and maintain a clear focus on poverty reduction in the overall programme
- Strengthen partnership through participation and dialogue on policy with Government in a way that ensures local ownership of the development process
- Participate in poverty reduction strategy discussions through the monitoring and appraisal missions of the Transitional Support Programme
- Strengthen governance particularly in the area of public sector management and democratic institutions

- Provide advice on policy related to the process of decentralising government, especially in the delivery of essential services
- Promote gender equality and mainstreaming in its various dimensions, through institutional strengthening and capacity building, both within Government and civil society
- Participate fully in relevant donor coordination mechanisms with a view to ensuring coherence with Government policy.
- Mainstream HIV/AIDS prevention strategies in all programme activities in a way that is consistent with the Development Cooperation Ireland Strategy

6.4. Programme Components

The Development Cooperation Ireland programme of support to Timor Leste for the period 2003-5 will support the following key components:

1. *The Transitional Support Programme*
2. *Capacity Building for the Public Sector*
3. *Local Government and Development Programme*
4. *Promotion of Gender Equity*
5. *Promotion of Democracy and Human Rights*

6.4.1. Transitional Support Programme

The *single most important component* in the Development Cooperation Ireland programme (*50% of budget*) in Timor Leste will be our contribution to the TSP. This assistance is being provided in collaboration with eight other donors (Finland, Norway and Sweden having recently joined the group of donors), thus greatly improving the co-ordination of development assistance to Timor Leste. The TSP will continue to enhance dialogue with Government over the next three years in support of the implementation of the NDP.

The TSP is expected to be a relatively short-term measure addressing the Government's severe budget deficit during a critical development period for this new country, and will be reviewed in the context of anticipated oil revenues from the Timor Sea, which are projected to come on stream in FY2005/06.

The TSP offers a number of advantages both to the newly established Government and to donors:

- *Provides a strong forum for Government - Donor policy dialogue;*
- *Reduces the administrative burden on Government of managing a multiplicity of bilateral donors;*
- *Alleviates aid absorption problems;*
- *Creates an anchor programme with performance benchmarks focused on poverty reduction and on the priorities of the NDP;*
- *Ensures a high level of synergy between the planning and budgeting processes;*
- *Enables both Government and donors to monitor progress across the whole of government, providing early opportunities to identify problems and gaps in technical assistance and policy development.*

The following sets out the TSP priorities

1. **Poverty reduction planning** sets out a number of agreed benchmarks that include the development of a national educational policy, creation of a health policy framework and the preparation of appropriate policy responses for vulnerable groups. It also focuses on key service delivery indicators such as immunisation and maternal and child health.
2. **Public sector management and expenditure**, targets the development of capacities within the East Timorese public administration. Benchmarks include adoption of sound fiscal and monetary strategies with a view to ensuring longer-term sustainability. The emphasis is on maintaining macroeconomic stability and improving the database on the national accounts, trade and price statistics. Emphasis is also placed on creating a lean and effective civil service through institutional development, capacity building and decentralisation.
3. **Governance and private sector development**, focuses on creating an enabling environment for strengthening the private sector through appropriate legislation, improving infrastructure, enhancing access to credit and promoting foreign direct investment. Emphasis is also placed on governance and anti corruption structures such as the creation of an Ombudsman Office and supporting legislation.
4. **Power sector management** involves rehabilitation of supply centres, strengthening the generating capacity of the national grid, and improving revenue- collection systems.

A joint donor review of the Transitional Support Programme took place in November 2002 in which the Development Cooperation Ireland Regional Economist participated. Overall, the findings of the monitoring mission were positive, but a number of problem areas were identified. These are mainly a result of severe capacity problems and the need to maintain and enhance a co-ordinated technical assistance programme; continued weak judiciary systems, and an inefficient power sector.

It is proposed to link the TSP process more in line with the Government budget process and continue policy and action dialogue with Government focusing more on service delivery. Development Cooperation Ireland will ensure that adequate attention and input is provided to the TSP process through active engagement in monitoring missions. Development Cooperation Ireland's Economist and/or consultant along with the Development Specialist will participate in these missions.

This Country Strategy will serve to authorise the allocation of €5.5m to the Transitional Support Programme over the programme period (2003 - 2005).

6.4.2. Capacity Building for the Public Sector

This component will cover capacity building for the public sector through sustained technical assistance in accordance with the priorities of the Government of Timor Leste. Through the Government planning and budget process, key benchmarks for progress across sectoral programmes will be identified (as part of the TSP). The long term technical assistance posts needed to achieve the benchmarks will also be identified. This will create a synergy between technical assistance positions and the achievement of the NDP objectives on an annual basis.

The main funding instrument for supporting long-term technical assistance posts, for the first two years of the Country Strategy Paper, will be the UNDP Umbrella Technical Assistance Programme referred to earlier¹⁰. At the request of the Government, UNDP will continue to manage a programme that provides up to 200 international technical advisors to develop local capacity. These experts will be required to deliver measurable results through a performance management system linked to Ministries' annual action plans and co-ordinated through a Capacity Development and Co-ordination Unit (CDCU), located in the Office of the Prime Minister. UNDP works closely with the CDCU, as its counterpart in government on this project.

Development Cooperation Ireland will continue to play an active role on the Government/Donor Technical Assistance and Capacity Building Working Group, which seeks to enhance co-ordination between long term and short-term technical assistance from UNMISSET, UNDP and bilateral donors.

This Country Strategy will serve to authorise the allocation of €1.1m to the capacity building for the public sector component for the period 2003-2004. Future disbursements beyond this period will be based on presentation of project proposals to PAEG for approval.

6.4.3. Local Government and Development Programme

This element will support the Local Government and Development Programme. Development Cooperation Ireland will build on its work to date in support of Ministry of Internal Administration (MIA) in local government policy development. Based on the terms of reference produced and endorsed by GoTL, MIA has requested that a team of local government experts be recruited to deliver on the terms of reference with Development Cooperation Ireland support. Development Cooperation Ireland has engaged with UNDP to recruit a team of consultants, which will undertake this policy options study. This team will work closely with MIA to oversee consultations on the options and will support the government to draft legislation and supporting regulations for the preferred option. Additionally the team of consultants will design an implementation framework for decentralisation and local government institutional strengthening in close consultation with the GoTL and development partners.

¹⁰ See 5.2 – UNDP Umbrella Technical Assistance Programme.

Based on the outcome of the work described above and within the constraints of the budgetary allocation, a number of further possibilities for Development Cooperation Ireland support to local government and development will emerge and are outlined in Box 2 below:

BOX 2 Local Government and Development

1. A phased plan for decentralisation is one likely outcome of the study and Development Cooperation Ireland, together with MIA, will identify components of such a plan for possible assistance, along with other donor partners.
2. Another anticipated outcome is a strategic plan for personnel and institutional capacity building at local level. Development Cooperation Ireland and UNCDF/UNDP will assist the Government of Timor Leste to operationalise such a plan, in partnership with other donors.
3. The current East Timor Direct Action Programme (ETDAP) will continue for the time being in its current form. However, the objectives of the programme will evolve over time as the future shape of the local government and development programme is clarified.
4. The development of Area Based Programmes (ABP) is a possible outcome. However, any engagement with an ABP has to be located within a particular policy environment and supported by clear local government structures. Also, given that ABPs are, by their nature, long-term development programmes, they would require a commitment by Development Cooperation Ireland to remain in Timor Leste for an appropriate period in order to ensure sustainability.

This Country Strategy will serve to authorise the allocation of €0.5m to the Local Government and Development Programme over the programme period for 2003. Future disbursements beyond this period will be based on presentation of project proposals to PAEG for approval.

6.4.4. Promotion of Gender Equality

Gender equality is a key guiding principle of the National Development Plan. The Office for the Promotion of Equality (OPE) is the institution within Government mandated to promote gender equality through mainstreaming a gender perspective in all policy making processes; monitoring and influencing policy development and legislation, commissioning research into areas necessary for policy development and supporting information dissemination and networking.

The key objective of Development Cooperation Ireland's intervention will be to support the development and strengthening of the OPE. This will be achieved through continued technical assistance support, which will build institutional capacity through training and mentoring for staff to enable them to effectively carry out their functions. It will be achieved through funding training of key government officials on gender issues, at district and sub-district levels. Development Cooperation Ireland will fund primary research on women's participation in education and access to health services.

Maintaining political commitment to the issue of gender equality in the long-term, demands a vocal constituency committed to advocacy. The role of civil society in relation to gender is a key requirement; otherwise the significant gains made during the UNTAET period could be reversed. Development Cooperation Ireland will work closely with the civil society women's network, REDE Feto, to enhance its capacity in planning and implementing a programme of support for member organisations nationwide.

A document will be presented to PAEG within 12 months seeking approval for the disbursement of €100,000 towards a promotion of gender equality programme.

6.4.5. Promotion of Human Rights and Democratisation

Continuing support for the Commission for Reception, Truth and Reconciliation will be a key platform of this component as its work is critical to building a human rights culture. The Commission will establish the truth about past human rights violations; support the reintegration of those who have committed minor offences through a community reconciliation process and will make recommendations on how to prevent future recurrences of human rights violations. The act of establishing the truth of what happened just before and during the Indonesian occupation is vital for reconciliation and to build a secure future free from impunity and further abuse.

Even though election, constitutional and independence processes are complete, the task of nation building is just beginning. Timor Leste is a country whose history has been dominated by colonial experiences. While there is a strong commitment to the concepts of democracy and human rights, a deeper awareness of how these concepts translate through to governance and citizenship is limited. Continuing civic education is recognised as key by both the Government (in the NDP) and by the President¹¹. The general population also identified it as a need in the document '**Our Nation, Our Future**'. UNDP is preparing a follow up civic education programme to be delivered in partnership with civil society organisations. Development Cooperation Ireland will contribute resources to this programme.

¹¹ On the occasion of the 100 days of independence, President Gusmao clearly identified the need for mechanisms to enable debate and dialogue between government and the people.

Development Cooperation Ireland will also explore other ways to promote a human rights culture through established institutions and agencies, in a collaborative way with other donor partners. Areas of possible support are, inter alia, peace building programmes, development of veterans' policy and human rights training for core government institutions.

A document will be presented to PAEG within 12 months seeking approval for the disbursement of €200,000 towards a promotion of human rights and democratisation programme.

6.5. Programme Management

The Timor Leste Country Programme has grown in budgetary terms from approx. €1.3m in 2000 to €3 m in 2002. The programme will be managed from the Representative Office in Dili under the direction of a Development Specialist, supported by a locally recruited project assistant. It is also intended to recruit a local adviser for the programme. As the only expatriate based in the office, the Development Specialist has a wide range of responsibilities that include programme management, administration, and representative duties at political level. Consideration is being given to the appointment of an administrator from HQ.

Continued support to the programme will be provided by the Regional Economist and the Public Sector Management Specialist, or where appropriate on a consultancy basis. Capacity building for local staff will include intensive language training, especially in written English. Staffing needs at the office will be reviewed after one year. In addition, the evaluation and audit unit should carry out a review of financial systems within the next twelve months, providing recommendations to strengthen systems in the context of an expanding programme.

6.6. Programme Monitoring

The Development Specialist will utilise established mechanisms for monitoring the progress of the programme. The Transitional Support Programme will be monitored on a monthly basis through a monthly budget execution report provided from Treasury to donors. The TSP appraisal and monitoring mission will occur twice yearly and will dovetail with the government's planning and budgeting process. The Monitoring Missions will assess progress against agreed benchmarks and provide policy advice and recommendations for adjustments and revisions. The Development Cooperation Ireland Economist and/or a consultant will participate in these missions.

The Capacity Building for the Public Sector component will be monitored through the Government Donor Working Group on Technical Assistance and Capacity Building and by the UNDP Management Team responsible for the Technical Assistance Umbrella Mechanism. Development Cooperation Ireland will continue to actively participate in the Government Donor Working Group.

The Inter Ministerial Technical Working Group will monitor progress on the Local Government and Development Project during the options study and development of legislative and regulatory framework. The Development Cooperation Ireland Development Specialist will be an ex-officio member of this group. Successor monitoring mechanisms will be designed as the programme evolves and will be overseen by the Development Cooperation Ireland Public Sector Specialist and/or a consultant during regular visits to East Timor.

The Promotion of Gender Equality will be monitored against an agreed action plan with the Office for the Promotion of Equality and other partners, as will the programmes funded under the Promotion of Human Rights and Democratisation.

6.7. Programme Funding

The budget proposed for the period 2003-05 reflects a modest increase in expenditure in Timor Leste over the three-year period of the plan. Fifty percent of funding will be channeled through the Transitional Support Programme in line with the government's priorities, and this strategy is consistent with the position of other donors. A further thirty per cent of funding will be directed to Local Government and Development Programmes and Capacity Building for the Public Sector. The balance of funds is earmarked for Human Rights, Gender and Programme Support costs.

Budget Summary for Timor Leste 2003-2005

	2003 €	2004 €	2005 €	Total €	%
Transitional Support Programme	1,500,000	2,000,000	2,000,000	5,500,000	50
The Capacity Building for the Public Sector	500,000	600,000	600,000	1,700,000	15
Local Government and Development Programme	500,000	600,000	600,000	1,700,000	15
Promotion of Gender Equality	100,000	200,000	200,000	500,000	5
Promotion of a Human Rights Culture	200,000	300,000	300,000	800,000	7
Programme Support Costs	200,000	350,000	350,000	900,000	8
Total	3,000,000	4,050,000	4,050,000	11,100,000	100

ANNEX ONE

DETAILED TERMS OF REFERENCE FOR STUDY & CONSULTATION EXERCISE

INTRODUCTION

In order to promote decentralization and good local governance in Timor-Leste, UNDP and Development Cooperation Ireland will provide support to the Government in order to both define an appropriate policy and institutional framework, and then to proceed to implement this policy framework and establish the institutions of good governance at sub-national level.

To this effect a Study and Consultation exercise will be undertaken in 2 Phases, by a team of consultants, as follows:

PHASE 1: SUPPORT TO POLICY DEFINITION

SCOPE

This exercise will assist in the review and analysis of policy & institutional options for the framework of sub-national government, in facilitation of stakeholder discussions to determine the preferred configuration, in determination of preferred options, and defining immediate capacity building priorities.

TASKS & ACTIVITIES

To this end, the following tasks and activities will be undertaken:

Review of Past Experience and Lessons Learnt

- Review, in consultation with Government of Timor-Leste (GoTL) and other stakeholders including donors and development partners, the experience of structures and initiatives at sub-national level in Timor-Leste, including traditional forms of leadership (both recorded and customary);
- assess the effectiveness and efficiency of existing national and sub-national structures- specifically at Central, Districts, Sub district, Suco and Aldeia levels;
- assess current arrangements for basic infrastructure and service delivery by line ministries and other agencies.

Identification of Appropriate Sub National Units and Local Representation

- Identify the most appropriate sub-national local government structures by type and number;
- recommend forms of elected representation at the appropriate level(s);
- outline a series of services, responsibilities and powers that should be decentralised and to what level;

Resourcing of Sub-National Units

- Determine indicative expenditure responsibilities of local government entailed by proposed decentralization of services;
- determine funding arrangements for local service delivery, local fiscal powers, and appropriate mix of centre-local transfers by type (conditional and unconditional grants, etc);
- determine realistic staffing of local bodies;
- recommend main features of the internal organisation of local bodies, committees, etc.;

Capacity and Institutional Strengthening

- Clearly delineate a realistic timescale for this decentralisation process;
- assess the capacity that exists to effectively manage and deliver services identified for phased decentralisation;
- identify the main features of a short, medium and long-term capacity and institutional building programme at sub-national level;
- draw up the Terms of Reference for a Training Needs Analysis (TNA) for local government staff at all levels;
- outline an indicative institutional strengthening and capacity building programme for the Ministry of Internal Administration;
- in keeping with the terms of the Constitution, identify the optimal arrangements for the participation by citizens and citizens' organisations in local government decision-making and service delivery;
- identify the gender dimensions of local government/governance in Timor-Leste and recommend specific capacity development measures and structures that will facilitate the participation of women and men;

Options & Sequencing

- Outline the relative costs - and benefits - of establishing different configurations of sub-national government;
- appropriate sequences and phasing for fiscal decentralisation;
- advise on the financing, financial management arrangements and associated capacity building needs;

Guidelines for donor support

Outline broad principles and guidelines to ensure that any forthcoming donor support to either local governance or basic infrastructure and service delivery will be supportive and not undermine decentralisation policy.

As outcome of these tasks, and following consultations, fieldwork and analysis the study will thus:

- propose the introduction of an optimal sub-national configuration of local authorities to maximise development potential and effective service delivery;
- clearly delineate the levels of administrative hierarchy down to the level of the community which are consistent with efficient service delivery and which enhance community participation, initiative, commitment and involvement;

- indicate the options for ensuring democratic representation and accountability at each level;
- indicate the options to ensure effective and efficient financing of service delivery, & appropriate approaches and timing for fiscal decentralisation (to include conditional and unconditional, block and equalisation grants);
- clearly delineate the role of the different levels of government proposed;
- present a clear number of alternatives for greater community empowerment and the strengthening of grassroots democracy;
- outline relationships between tiers of sub-national government and the central government.

TIMING

A period of 11 weeks from start to production of the final Phase 1 Report. The study and stakeholder consultations are expected to be completed by October 2003. It hoped that the study could begin by 1st March latest.

TEAM REQUIRED

- The Team Leader will be an international expert with experience in analysis of and support to decentralisation policy and local governance.
- A second team member will be an international expert on local government institutional, management and administrative arrangements.
- A third team member will be an international expert on local government finance.
- A fourth team member will be an experienced local consultant on local administration and government in Timor-Leste.
- The fifth member of the team will be an local expert on Timor-Leste traditional government, customs and practices at suco and aldeia levels.

In addition local facilitators will be required to support the consultative review of the team's draft report by groups of national stakeholders.

PROPOSED METHODOLOGY

The following is an outline of the methodology to be followed in Phase 1.

- The study will be managed directly by the Inter-ministerial Technical Working Group (IMTWG) to which the team will report formally on a monthly basis.
- The team will produce in co-operation with the IMTWG - within two weeks of its mobilisation, an Inception Report which will address the implications of the TORs and which will outline the proposed methodology and time-frame for the study.
- The IMTWG must consider and comment on inception report before presentation to the Inter-Ministerial Political Steering Group.

- The Inter-Ministerial Political Steering Group must consider and comment on the Inception report to provide a political framework for the study.
- The study will review all relevant documents related to its purpose and objectives.
- The consultancy team will analyse Timor-Leste experience of local government arrangements under traditional, Portuguese, Indonesian and UNTAET periods and distil any lessons for the project recommendations. The team will also provide an overview of relevant comparative local government.
- A questionnaire will be produced in co-operation with the IMTWG which will elicit the views of a wide cross section of stakeholders at central, local, community and development partner levels.
- The team will meet with all relevant Central, District, NGO, civil society and donor partners and will liaise strongly at all times with the Director of Administration, Local Government and Development in the Ministry of Internal Administration.
- The team will produce a Phase 1 Draft Final Report which will outline a number of possible options and alternatives for sub-national units of local government.
- The draft report will also outline optimal financial, management, administrative and staffing arrangement for local government in relation to each of the options proposed.
- This Draft Final Report will be presented to and agreed by the IMTWG for presentation to the Inter-ministerial Political Steering Group.
- The TORs for a Training Needs Assessment and a strategic plan for personal and institutional capacity building will be presented to the Minister for Internal Administration before completion of the study.
- A final Report, including the TNA and capacity building plan will be presented to the IMTWG within two weeks of the end of the study.
- The recommendations of the study must be presented to and agreed by the InterMinisterial Political Steering Group.
- A Government/Donor working group will be established as an advisory group on matters pertaining to local government and governance.

PHASE 2 – SUPPORT TO POLICY ADOPTION & IMPLEMENTATION

This Phase will begin once it is clear that the Phase 1 policy recommendations have been reviewed and endorsed by national policymakers and by other national stakeholders. Given the inevitably controversial nature of some of these policy issues, it is thus expected that there will be a time lag between the two phases,

SCOPE

The aim is to assist in implementing this approved policy framework through institutional development and capacity building for both local government and civil society organizations, and for Ministry of Internal Administration and other central government support and monitoring agencies.

TASKS & ACTIVITIES

To this end, the following tasks and activities will be undertaken:

Draft Legislation

Prepare draft legal statutes, which translate the various aspects of approved policy into legal text, to be submitted to consultation and to the national legislative process;

Basic Regulations and Guidelines

Prepare sets of basic instructions, rules and guidelines for essential local government management activities: financial management, personnel management, committee business, communication with the public, etc..

Designing a Programme/Project of Assistance to Implementation

Prepare a programme/project support document to submit for donor funding which provides support to policy implementation, institutional development and capacity building alongside support to decentralised infrastructure and service delivery. This support will include:

- logistic and human resource capacity building to local government bodies;
- logistic and human resource capacity building within MIA and other central government departments (line Ministries and Ministry of Finance) with support or monitoring functions for local government;
- establishment of mechanism for centre-local financial transfers and monitoring;
- citizen awareness and training to better ensure local government accountability and monitoring of performance;
- trialing innovative participatory planning, budgeting and service delivery and management arrangements, and financing mechanisms which may later be replicated nationally.

The programme/project document(s) will be submitted to a GoTL/Donor working group to solicit co-funding for the various components identified.

TIMEFRAME

The three different Outputs will be produced within a 2 month period after startup. However, the startup date for Phase 2 Activities will not necessarily follow on after conclusion of Phase 1, since they require an indication that national authorities have fully reviewed and agreed to a set of policy options based on Phase 1 recommendations.

TEAM REQUIRED

- The Team Leader will be an international expert with experience in designing support to decentralisation and local governance policy implementation. Ideally he/she should be the same Team leader as for Phase 1.
- A second team member will be an international legal drafting expert with experience in preparing local government legislation.
- A third team member will be an international expert in local government management and administration – again, ideally the same expert as in Phase 1.
- A fourth team member will be an experienced local consultant on local administration and government in Timor-Leste - again, ideally the same expert as in Phase 1.
- The fifth member of the team will be an local expert on Timor-Leste traditional government, customs and practices at suco and aldeia levels - again, ideally the same expert as in Phase 1.

METHODOLOGY

This will be substantially the same as for Phase 1. The team will carry out its tasks under the guidance of the IMTWG and IMPWG, in close collaboration with the MIA. Throughout, the emphasis will be on close consultation with all stakeholders.



United Nations Development Programme

TIM/02/019 - Decentralisation and Local Governance

Budget " A "

Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1

Executing Agency: DEX - Direct Execution

Sbln	Description	Implementing	Funding	Total	2003
010	PERSONNEL				
011	International Consultants				
011.01	Team Leader	DEX	Net Amount	90,000	90,000
			W/M	5	5
			Total	90,000	90,000
011.02	International Consultants	DEX	Net Amount	190,000	190,000
			Total	190,000	190,000
011.99	Line Total	-----	Net Amount	280,000	280,000
			W/M	5	5
			Total	280,000	280,000
013	Administrative Support				
013.01	Admin Support Personnel	DEX	Net Amount	18,000	18,000
			Total	18,000	18,000
013.99	Line Total	-----	Net Amount	18,000	18,000
			Total	18,000	18,000
017	National Consultants				
017.01	National Project Personnel	DEX	Net Amount	15,000	15,000
			Total	15,000	15,000
017.02	National Consultants	DEX	Net Amount	20,000	20,000
			Total	20,000	20,000
017.99	Line Total	-----	Net Amount	35,000	35,000
			Total	35,000	35,000
019	PROJECT PERSONNEL TOTAL	-----	Net Amount	333,000	333,000
			W/M	5	5
			Total	333,000	333,000
020	CONTRACTS				
021	Contract A				
021.01	Sub-Contract (Rental)	DEX	Net Amount	5,000	5,000
			Total	5,000	5,000
021.99	Line Total	-----	Net Amount	5,000	5,000
			Total	5,000	5,000
029	SUBCONTRACTS TOTAL	-----	Net Amount	5,000	5,000
			Total	5,000	5,000
030	TRAINING				
034	Conferences & Meetings				
034.01	Workshop / Seminar	DEX	Net Amount	37,000	37,000
			Total	37,000	37,000
034.99	Line Total	-----	Net Amount	37,000	37,000
			Total	37,000	37,000
039	TRAINING TOTAL	-----	Net Amount	37,000	37,000
			Total	37,000	37,000
040	EQUIPMENT				
045	Equipment				
045.01	Equipment	DEX	Net Amount	12,000	12,000
			Total	12,000	12,000

045.99	Line Total	-----	Net Amount	12,000	12,000
			Total	12,000	12,000
049	EQUIPMENT TOTAL	-----	Net Amount	12,000	12,000
			Total	12,000	12,000
050	MISCELLANEOUS				
053	Sundries				
053.01	Sundries	DEX	Net Amount	10,000	10,000
			Total	10,000	10,000
053.99	Line Total	-----	Net Amount	10,000	10,000
			Total	10,000	10,000
059	MISCELLANEOUS TOTAL	-----	Net Amount	10,000	10,000
			Total	10,000	10,000
099	BUDGET TOTAL	-----	Net Amount	397,000	397,000
			W/M	5	5
			Total	397,000	397,000