

Independent Evaluation of Infrastructure Technical Assistance (ITA)

MANAGEMENT RESPONSE

Prepared by: East Timor Section/Dili Post
 Approved by: Vincent Ashcroft, Minister Counsellor Dili
 Date Approved: 26 September 2012

Aid Activity Summary

Aid Activity Name			
AidWorks initiative number	INH497		
Commencement date	20 August 2007	Completion date	December 2011 ¹
Total Australian \$	\$12,685,813.04		
Total other \$	Asian Development Bank (ADB) \$USD 3 million Government of Timor-Leste (GoTL) \$USD 3 million (in kind)		
Delivery organisation(s)	ADB		
Implementing Partner(s)	ADB, Timor-Leste Ministry of Infrastructure		
Country/Region	Timor-Leste		
Primary Sector	Infrastructure		

Aid Activity Objective:

The Infrastructure Program Management (IPM), operationally referred to as the Infrastructure Technical Assistance (ITA), had two major components: (1) implementation of capital development programs and execution of their budgets, and (2) building of project management capacities.

The objective of Component 1 was to assist in the execution of annual capital development program through its direct involvement in the Ministry's management of infrastructure projects. It had been recognized that a major cause of project implementation delays was the inadequacy of the workforce to effectively manage the volume of annual capital development projects. The TA was to assume the following project management functions: i) the preparation and procurement of contracts for consulting services, goods and works already identified in the government's annual capital development work plans and, ii) the implementation, management and supervision of contracts already procured.

The objective of Component 2 was to build the project management capacities of the agency with particular attention given to contract administration. Key institutional processes, systems and policies, standards and individual competencies were to be identified and strengthened to support the agency's capacity to procure and administer project contracts.

ITA was originally designed to assist the Ministry of Public Works, the Ministry of Transport and Communications, and the Ministry of Natural Resources, Minerals and Energy Policy in their preparation, procurement and management of consulting services, goods and works vital to the execution of their respective annual capital development programs.

The three ministries, however, were amalgamated just prior to commencement of the technical assistance (TA). Most of the policy and implementation functions of the former ministries were absorbed by the newly-created Ministry of Infrastructure (Mol) while the remaining was delegated to other relevant government institutions. After the 2007 election, a new government assumed office and established a new Mol to manage the development and operation of infrastructure sectors. The Mol inherited the role of executing

1. _____

¹ AusAID's commitment to the program ended with its final payment to ADB in May 2011. The ADB has extended the program to June 2014 to provide for the completion of the final round of scholarships.

agency for the TA. The reform however introduced significant challenges to the capital development program as the previous medium-term sector investment programs and development targets were not adopted by the new government.

Independent Evaluation Summary

Evaluation Objective: The primary purpose of this Independent Completion Report (ICR) is to identify lessons to inform AusAID's ongoing and future programs in the infrastructure sector in Timor-Leste that involve capacity development, particularly *Roads for Development* (R4D) and, to a lesser extent, the *Rural Water Supply and Sanitation Project* (BESIK). The ICR also responds to AusAID's requirements that an independent evaluation be conducted for all programs over AUD 3 million.

Evaluation Completion Date: 31 July 2012

Evaluation Team: Robyn Renneberg (team leader) and Charles Melhuish

Management Response

The independent completion report was managed by AusAID's East Timor program in Canberra and Dili in consultation with ADB and the Ministry of Infrastructure. AusAID considers the evaluation to be of a good quality and that it sufficiently addressed the questions in the Terms of Reference and subsequent Evaluation Plan.

Since AusAID's involvement in the ITA program has completed and a decision had been made not to continue funding this or a similar initiative, the ICR's scope was around program improvement for future infrastructure programs in Timor-Leste, in particular Roads for Development (R4D) and the second phase of Rural Water Supply, Sanitation and Hygiene (BESIK II), both of which engage with the former Ministry of Infrastructure, now Ministry of Public Works.

As a result the recommendations proposed in this evaluation are broad and largely not program-specific. They relate to suggested ways to work in future programs in infrastructure in Timor-Leste, but also to other programs with a capacity building focus.

Recommendation One

Recommendation: Review the design when significant change occurs

Response: Agree.

Significant changes, particularly after elections or changes in Ministers, have the potential to seriously impact a program and its relationship with government. Recognising this, AusAID will undertake post-election socialisation and consultation in all 2012-13 design processes across the program.

Actions: AusAID has already built time into 2012-13 design processes across the Timor-Leste program to allow for changes that will arise out of government changes and will continue to do so in future programs. AusAID will also seek the views of new Ministers on existing programs, especially those in the early stages with a view to making any refinements to accommodate new government policy perspectives.

In addition both R4D and BESIK II utilise flexible design and rolling work plan approaches to program management. This is in recognition of the need for flexibility as institutions and processes in Timor-Leste continue to develop. Adjustments to the design, program interventions, and, expected outcomes are anticipated over the life of the program as a result of changes in the country context and/or the program's progress.

Recommendations Two, Three and Four

Recommendation 2: Ensure a mechanism is in place to provide strategic direction and oversight

Recommendation 3: Actively manage the risks associated with the program

Recommendation 4: Maintain a focus on the key outcomes of the program

Response: Agree.

Steering committees and other strategic governance mechanisms are important and should be a high priority for AusAID programs in Timor-Leste. However, their success depends on government ownership.

AusAID will take a strong leadership role, both through strategic governance mechanisms and directly with implementing partners, to manage the risks of its programs and ensure they remain on track to deliver their outcomes. Strong M&E systems are important to support this.

Actions: Both R4D and BESIK II have steering committees in their design. For both programs, AusAID will work with its partners to ensure the committees meet regularly as set out in the designs and provide strategic direction and oversight of the programs. This includes the monitoring and management of risks.

In addition to formal committee meetings, AusAID will meet regularly with the R4D Chief Technical Advisor and BESIK Program Director. The positioning of the Program Director for BESIK II as an AusAID staff member means that AusAID will have a high level of strategic oversight of this program.

In addition, both programs have a strong focus on monitoring and evaluation to regularly assess how the programs are tracking. Both programs will have an Independent Monitoring Group that will visit regularly to assess overall program performance against outcomes.

Recommendation Five

Recommendation: Establish a model for planning and monitoring capacity and use it consistently

Response: Agree.

The ITA program suffered from a lack of clarity on the capacity building approach, which was not consistent across the program timeframe.

Actions: AusAID will work with R4D and BESIK program teams to ensure there is clarity on each program's model for planning and monitoring capacity and that these models will be used consistently, even if advisers responsible for monitoring capacity change over the course of the program. The technical monitoring and review mechanisms for these programs will include expertise on capacity building and be tasked to report and advise on these issues.

Recommendation Six

Recommendation: Use a variety of approaches to build capacity

Response: Agree.

Capacity building is more effective when a number of approaches are used.

Actions: AusAID will work to ensure that a range of approaches to capacity-building are utilised in R4D and BESIK II where appropriate, including academic courses and scholarships, work placements, mentoring and training programs.

In R4D and BESIK II, capacity development will not only focus on skills, but also on the other factors influencing performance – such as organisational and individual capacity, as well as the broader enabling environment and organisational motivations and culture. The program design recognises that building the technical knowledge and skills of staff must be complemented by leadership and managerial skills, a suitable structure, effective processes and procedures, efficient and effective financial management and procurement systems and other important dimensions.

AusAID will monitor returning scholars and engage with GoTL to ensure that they are placed in relevant positions that suitably allow them to use their new skills and knowledge.

Recommendation Seven

Recommendation: A stable and clearly defined institutional framework is important to deliver successful capacity building

Response: Agree.

AusAID agrees that programs can only deliver successful capacity building within an institution that enables this.

Actions: This is the responsibility of GoTL; however, AusAID will support the government where possible to strengthen institutions. AusAID will also continue to work with GoTL to ensure that capacity building programs are placed within institutions which can support them.

Recommendation Eight

Recommendation: Practical work experience is essential

Response: Agree.

Providing government counterparts with opportunities to learn on-the-job and gain experience in a range of settings will complement other approaches to capacity-building.

Actions: AusAID will work to encourage opportunities for practical work experience in its programs, particularly R4D and BESIK. AusAID will also need to work to support GoTL to be able to give staff opportunities to practice skills on the job

Recommendation Nine

Recommendation: Select advisers who have both technical and interpersonal skills

Response: Agree.

A combination of technical and interpersonal skills is critical to good technical assistance.

Actions: AusAID will ensure that future adviser position Terms of Reference appropriately emphasise a mix of technical and interpersonal skills, such as ability to establish effective working relationships built on mutual respect and trust, sensitivity to other cultures, ability to handle conflict appropriately and constructively, and flexibility, responsiveness, and patience. AusAID will encourage appropriate training of these skills for staff and advisers including local language training (see below).

Recommendation Ten

Recommendation: Ensure all are clear about the role and scope of adviser positions

Response: Agree.

Clarity in scope of long-term and short-term adviser positions as well as division of capacity building and capacity substitution needs to be improved.

Actions: AusAID will ensure TORs for adviser positions appropriately capture the role and scope expected clearly. AusAID has had direct input in drafting TORs for BESIK II key positions and will continue to influence the role and scope of these positions in consultation with its government counterparts.

The R4D and BESIK II program designs envisage a clearer distinction between 'doing' and 'advising' roles. In line with GoTL recommendations, advisor inputs will be framed within three broad categories: strategic policy advice, operational contractors, and skills development.

Recommendation Eleven

Recommendation: Language is a challenge that should not be ignored

Response: Agree.

Tetum language skills in particular are extremely valuable when working with government in Timor-Leste and should be more heavily emphasised for adviser positions.

Actions: R4D and BESIK II are already addressing this by ensuring that all advisers take mandatory Tetum training if not already proficient in the language. AusAID will continue to encourage implementing partners of current and future programs to develop local language skills of international staff.

Recommendation Twelve

Recommendation: Findings from this ICR are congruent with the recommendations of AusAID's recent adviser review

Response: N/A.

Actions: N/A.

Recommendation Thirteen

Recommendation: Develop partnering agreements to help manage the relationships

Response: Partially agree.

There are often gaps that are not covered by formal agreements with partners surrounding implementation arrangements and responsibilities. AusAID should institute partnering arrangements where formal agreements do not cover all of the relevant issues.

Actions: The R4D Contribution Agreement covers the key issues in the ILO-AusAID relationship and AusAID is satisfied that it sufficiently covers expectations in this relationship.

BESIK II will be led by a Program Director who will be an AusAID employee and manage the contractor. Consultation will be undertaken during the inception phase to clarify working roles and responsibilities between AusAID and the managing contractor. If needed an informal partnering arrangement will be developed.

While AusAID will not prepare formal partnering agreements for these two current programs, such agreements will be considered for future programs where formal agreements do not provide scope to fully define the nature of relationships with implementing partners.

Recommendation Fourteen

Recommendation: AusAID explore the option of having the same capacity building planning and monitoring process in place across all AusAID programs.

Response: Disagree.

While there are benefits in having a consistent approach, AusAID has a large and diverse portfolio at different stages of development and utilising different modalities. Government counterparts and implementing partners are equally diverse.

Actions: AusAID notes this recommendation and will continue to explore coordination in capacity building approaches across the Timor-Leste program while at this stage not committing to a single approach. However, new agency-wide guidance on principles of monitoring and evaluation of capacity development will be utilised by the Timor-Leste program to assist thinking about performance and quality issues in programs that involve capacity building.