

Australia-Timor-Leste Partnership for Human Development - Investment Concept

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This investment in Timor-Leste will deliver Australia's development assistance in health, water, education, nutrition, social protection, gender and disability.

The Australia-Timor-Leste Partnership for Human Development (ATLPHD) is valued between A\$17 million and A\$25 million a year over 5 yearsⁱ and is scheduled to commence in July 2016 to align with the completion of existing contracts in June 2016.

Australia will continue to support and fund effective activities that are aligned with the Government of Timor-Leste's human development priorities. These activities may move across to the new contractor and be funded from within this budget.

Proposed approach and investment:

Overall vision: Enhancing Human Development.

This program will deliver investments through four pillars:

Pillar 1 - Health (approximately A\$8.5 million each year)

Goal - Improving maternal and young children's healthⁱⁱ

Pillar 2 - Water (approximately A\$3.5 million each year)

Goal - Improving access to water

Pillar 3 - Education (approximately A\$3 million each year)

Goal - Improving literacy and numeracy

Pillar 4 - Nutrition, social protection, disability and gender equality (approximately A\$2 million each year). Provides cross-program support on these issues with targeted stand-alone activities where there is a strong case and available budget.

Implementation:

Single program: The decision to manage Australia's future assistance to human development in Timor-Leste through a single program and contractor is driven by the following considerations:

i) Development benefits – The contract will support sectoral activities as well as cross-sectoral activities where the development challenge requires it (for example in nutrition). A single contract will also allow us to learn from other sectors' experiences and share that information with the Government of Timor-Leste where it is useful.

ii) Value for money - A single contractor or consortium will share management, corporate and technical services which will reduce costs, allowing an increased portion of the budget to be spent on development activities.

iii) Flexibility - This delivery approach gives us capability to shift program resources between sectors in the human development portfolio, in line with the Government of Timor-Leste's development priorities.

Governing Structures: The Government of Timor-Leste has requested that donors use the Government's existing governance structures for overseeing donor programs. Decisions on which structures will govern this program will be made during the design process with relevant partner Ministries.

Monitoring and evaluation: A decision will be made during the design process about whether the monitoring and/or evaluation of these programs will be delivered by the Human Development contractor or through a separate, independent monitoring and evaluation contract that could work across the bilateral program.

The ATLPHD **managing contractor** (or consortium) will be accountable for the following functions:

- Analysis across each pillar and the whole program to provide strategic advice to the Governments of Australia and Timor-Leste on how to deliver the program's goals
- Annual planning, monitoring and reporting on activity implementation and progress towards program and pillar goals, including identification of cross-sector programming opportunities and results
- Implementation of agreed programs in health, water, education, nutrition, social protection, gender and disability
- Corporate services, including but not limited to, recruitment and management of human resources, grant and activity management, finance, logistics, fleet management, audit, information technology, public affairs, provision of technical advisers, systems to manage risk and implement safeguards
- Support to the governance mechanisms (as required).

Planned timeline:

- Early market briefing- 14 September 2015
- Completion of detailed design in consultation with the Government of Timor-Leste - October 2015
- Design and tender released to the market, and industry briefing- December 2015
- Tender assessment and contract agreed - January to April 2016
- Contractor mobilised and handover from existing contractors of continuing activities - mid June 2016
- Program commences - by 1 July 2016

ⁱ The annual allocation to this program and each pillar is dependent on annual Australian aid budget allocation to Timor-Leste. The planned budget of A\$120 million (US\$84 million) over 5 years is inclusive of management costs, monitoring and overheads. Note that the budget estimates in this Concept are "indicative" based on the 2015-16 budget allocation to Timor-Leste. Currently around \$21 million is allocated to these sectors, including management costs, monitoring and overheads.

ⁱⁱ Support to the Government of Timor-Leste to improve sanitation will be supported under the health pillar. Support for sanitation will be required to be coordinated with both the Ministry of Health and Public Works which both have functions in Government of Timor-Leste in delivering sanitation outcomes.