

DFAT Management Response to MTR on PARTISIPA – 26 March 2025

The Mid-Term Review provides a useful assessment of PARTISIPA around November 2024. A point in time where there had been recent challenges, policy shifts and several issues beyond the control of PARTISIPA, but also some strong and sustained work. The MTR provided 26 recommendations which will be used to strengthen the program in 2025 and for a ‘design-refresh’ later in 2025 to prepare to exercise the option to extend to Phase 2 of PARTISIPA to start in July 2026.

Key Evaluation Question 1: Strategic Balance

How and to what extent have the infrastructure and services supported by PARTISIPA benefitted people living in rural villages?

- (a) To what extent is PARTISIPA balance right in terms of sector focus?
 (b) To what extent is PARTISIPA balance right in terms of national versus sub national focus?

Key Evaluation Question	Management Response
REC1.1: Maintain support for PNDS to lay the groundwork for municipal capability as functions are increasingly decentralised and reassess the need and scope of Australian support in Phase 2	AGREE. It is important to support GoTL on PNDS and municipal strengthening as functions are decentralised. Anticipated changes in decree laws are likely to alter the operation of PNDS towards a more decentralised modality. PARTISIPA’s 2025 workplan aims to address early changes and to build longer term support on priority areas identified by GoTL. PARTISIPA will map out and continue to review the implications of decentralisation on PNDS and the focus of support in 2025 and going forwards. See also Management Response to Rec 1.4.
REC1.2 Given the significance of sustainability threats, DFAT and PARTISIPA should transition out of sub-national roads by the end of Phase 1 of PARTISIPA (this is discussed in full in Annex 3)	AGREE. We agree with the intent of the recommendation to transition out of Component 3, on Sub-national Roads, however, propose a slightly more staggered draw down until the end of December 2026, rather than the end of Phase 1 in June 2026. This additional time would allow for a smoother draw down and sustainability measures to be put in place. Opportunities may still exist for targeted technical assistance to GoTL on roads via a much lighter model of delivery, to be considered in PARTISIPA’s design refresh. This may also include some sustainability measures.
REC1.3: Extend rural water objectives from community-level water systems to supporting municipal planning and coordination for rural water moving towards climate adaption planning for water resource management in line with future water resources (see <i>Cross-Cutting Issues</i>)	AGREE. This recommendation reflects the scope of PARTISIPA’s Climate Change Strategy approved by DFAT in December 2024. The Climate Change strategy anticipates expansion of the water component to areas such as water resource management. Climate Change consideration will be strengthened during the design refresh for phase 2 of PARTISIPA including how to increase the focus to a primary or secondary objective and capturing climate change in the program Theory of Change.

Key Evaluation Question	Management Response
<p>REC1.4: Prior to Phase 2, PARTISIPA should establish long-term visions for each sector/component (sub-national strengthening, PNDS and water) to the end of 2031 (including strategies to exit or phase out support to sectors and to prioritise support for municipal strengthening (see below))</p>	<p>AGREE. DFAT will ask PARTISIPA to develop long-term visions for each sector/component (municipal strengthening, PNDS, and rural water) to the end of 2031 (including sustainability plans and potential exit or phase out strategies). This long-term vision could include updates to theory of change and strategy and programming clarifications.</p> <p>A long-term vision for Climate Change should include identifying how Climate Change can become a primary or secondary objective of PARTISIPA (via a refresh of the current Climate Change Strategy).</p> <p>A strategy to phase out Component 3 on Sub-national Roads by the end of December 2026 should be developed, including potential options for lighter models of support on Roads during a potential Phase 2 of PARTISIPA.</p>
<p>REC1.5 PARTISIPA should balance its national and sub-national footprints based on the rate of the rate of decentralisation, municipal demographics, development needs, and municipal capability. This will require a differentiated advisory footprint in each municipality that reflects particular capacity building needs. A continued presence nationally is required to support the maintenance of policy and program alignment at all levels.</p>	<p>AGREE. Decentralisation is anticipated to proceed at a different pace for each municipality and municipalities have varying capacities. The support requirements will evolve and intensify for municipalities that transition to the next stage and based on capacity needs. Maintaining a national footprint is critical for feedback loops to identify and address gaps, and to guide the focus of PARTISIPA’s support at municipal level.</p>

Key Evaluation Question 2: Relevance

How relevant and appropriate are: each of the four components of PARTISIPA; and PARTISIPA’s learning and adaptive management approaches, in informing what areas the program should support, and its sustainability? And sub questions 2 (a) and (b)

Key Evaluation Question	Management Response
<p>REC2.1: As decentralisation is a primary objective for the GoTL, PARTISIPA (and DFAT) should clarify how the program is best able to support this policy. This should include reflecting on the ability of the government to decentralise and examining the appropriateness of current delivery modalities for phase 2 should decentralisation efforts accelerate.</p>	<p>AGREE. Supporting GoTL’s effective service delivery following decentralisation is key to Australia’s objectives to strengthen government institutions, and the delivery of quality services, resilience of communities through broad-based participation, economic opportunity and improved village infrastructure.</p> <p>As GoTL implements its decentralisation agenda, PARTISIPA will need to be responsive and provide evidence-based technical support and solutions. Mapping and tracking GoTL progress on decentralisation, and adjusting PARTISIPA’s focus accordingly, will be critical for program strengthening in 2025 and going forward.</p>

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<p>REC2.2: Maintain sufficient engagement and adviser positions at national level to ensure national policies for decentralisation are understood and that strong feedback loops between the central and sub-national levels are in place</p>	<p>AGREE. Engagement at national level is critical to support GoTL in delivering effectively on its decentralisation agenda. As laws change in support of decentralisation, it is also critical that GoTL is supported in preparing guidance and training for municipalities on how to operationalise the new laws, as well as feedback loops to help identify and resolve any gaps or lack of clarity. See also response on REC1.5.</p>
<p>REC2.3: Contingent on GoTL and GoA openness for PARTISIPA support for decentralisation, there is a strong rationale for the program to support GoTL to develop plans for how functions will be decentralised given PARTISIPA's insights working with both national and sub-national government structures</p>	<p>AGREE. Decentralisation is a clear objective of GoTL and is likely to pick up pace in the years ahead. Effective sub-national service delivery is part of our end of investment outcomes, and decentralisation will impact on competencies delegated to municipalities and therefore require adjustments to PARTISIPAs support at sub-national level. PARTISIPA is also well placed to engage and provide technical advice to MoSA in support of planning and execution of decentralisation. PARTISIPA will also look more closely at the decentralisation plans from both the national and sub-national lens as part of the design refresh and long-term sector strategy.</p> <p>DFAT will work to provide greater communication on the aspects of decentralisation Australia is supporting once GoTL has decide on the form and function of delivery.</p>

Key Evaluation Question 3: Effectiveness

How effective has PARTISIPA been in its performance and progress towards achieving immediate and intermediate outcomes, and indications that the program is on the appropriate pathways to EOIOs, during the initial phase (2021-26)? And sub questions 3 (a) and (b)

Key Evaluation Question	Management Response
<p>REC3.1 DFAT and PARTISIPA (together with GoTL) should establish a process of joint, structured reflection focusing understanding the status of GoTL decentralisation, appetite for PARTISIPA support from GoTL and establishing a shared understanding of the key indicators that will be used to assess whether EOIOs are met by 2031. This will enable informed decisions to be made regarding Rec 2.2 and 2.3</p>	<p>AGREE. DFAT and PARTISIPA will work closely to ensure a more structured engagement is in place to monitor plans and progress on decentralisation, as well as agree on engagement with GoTL to discuss plans and support required, and measure progress against key indicators.</p>

Key Evaluation Question 4: Efficiency

To what extent is the PARTISIPA structure, ways of working and activities delivered in an efficient and timely manner?

And sub questions 4 (a) and (b)

Key Evaluation Question	Management Response
<p>REC4.1: DFAT to incentivise further collaboration among the 3Ps including by facilitating debriefing across the 3Ps following their respective GoA-GoTL coordination processes, testing Ministry of Finance appetite for PROSIVU to work with them to support municipal PFM and establishing joint objectives for each of PARTISIPA, PROSIVU and PHD coupled to milestone payments in program contracts from 2026 onwards. DFAT should consider commissioning analytical work across the programs to inform this collaboration effort.</p>	<p>AGREE. Australia’s development programs already cooperate on mutually beneficial work, and there are greater opportunities to work together. Embassy leaders and working-level staff will continue to encourage programs to work together on key policy and programming matters.</p>
<p>REC4.2: DFAT and PARTISIPA should work together to ensure that PARTISIPA’s headline communications are clear for both GoTL counterparts and others within the Australian Embassy as well as consistently linking achievements in areas like policy development and coordination with the expected development impact identified</p>	<p>AGREE. As a program designed to support the work of GoTL, the approach to date has not involved significant public communications around PARTISIPA as a program.</p> <p>DFAT and PARTISIPA are already looking at ways to enhance communications and profile of the program. We will take steps to strengthen policy and coordination especially related to objectives of the Australia Timor-Leste Development Partnership Plan.</p>
<p>REC4.3: DFAT should take steps to procure decentralisation advice directly for Embassy staff. This would strengthen the Embassy’s capability to lead policy dialogue with GoTL on decentralisation issues as well as provide clearer strategic guidance to PARTISIPA</p>	<p>AGREE. DFAT will continue to seek expertise and inputs from a variety of channels.</p> <p>DFAT will also work closely with PARTISIPA to better share current knowledge on decentralisation and sub-national governance with key internal and external audiences through policy briefs, presentations and knowledge-exchanges.</p>
<p>REC4.4: Integrate GEDSI responsibilities into current MoSA adviser TORs and ensure GEDSI expectations are clear in sub-national staff ToRs, work plans, indicators and reporting. Maintain a roving GEDSI capability at the national level to support sub-national staff in these functions</p>	<p>AGREE. Opportunities to strengthen/clarify GEDSI expectations and responsibilities will be addressed as part of program strengthening in 2025 and going forward. Roving GEDSI capability will be maintained to both support sub-national staff and improve feedback loops and sharing across national and sub-national staff.</p>
<p>REC4.5: DFAT to review its tender assessment processes more clearly to identify the potential risk that sub-contracted M&E</p>	<p>AGREED IN-PRINCIPLE: This recommendation will be conveyed to DFAT’s Aid Business Branch who hold responsibility for procurement and contracting.</p>

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may pose to the development and delivery of effective systems and processes after mobilisation	
REC4.6: PARTISIPA to explore CSO partnerships as an additional modality in Phase 2 and consider the benefits and viability of direct financing mechanisms towards the end of Phase 1	AGREE. Partnership with CSOs and research institutions can be piloted and tested in 2025 and going forward, where these organisations are already playing a mutually beneficial role and would strengthen PARTISIPA’s work with local governments to deliver services, local infrastructure and community engagement on gender and social inclusion, youth participation, water, environment and climate change adaptation.
REC4.7: PARTISIPA should continue to develop its policies on the use of AI, noting that demand for support in the integration of AI tools in government functions will likely increase throughout the remainder of PARTISIPA’s implementation	AGREE IN-PRINCIPLE. AI has already proved useful in rapidly translating and summarising new laws to understand changes and whether there are likely to be implications for operational approaches. This is informal and can guide further investigation or consultations.

Key Evaluation Question 5: Cross-cutting: Gender, Disability and Climate Change

To what extent have women, girls, people living with disabilities and those most vulnerable to or affected by climate change impacts, benefited from PARTISIPA and its approaches?
And sub questions 5 (a) and (b)

Key Evaluation Question	Management Response
REC5.1: PARTISIPA to ensure attention to differentiated benefits accrued (or not) by women, girls and people with disabilities in MERLA, particularly the planned village perception and access to infrastructure and services survey	AGREE. PARTISIPA will start to collect differentiated data through focus group discussions and other stakeholder feedback tools to use in MERLA and adaptive management of the program. Tools used for MERLA continue to evolve, so PARTISIPA will work with community and government to understand, report on, and program for GEDSI and broader community needs.
REC5.2: PARTISIPA work with MOPW to develop a strategy to move towards the 30% employment target in infrastructure projects	AGREE. PARTISIPA will continue to work with MoPW on addressing barriers and adhering to contractual requirements. Action can be informed through the results of the scheduled contractor capacity assessment under the roads component. This does not require a ‘strategy’ as such, but actions will be integrated within workplans to help MoPW to meet their targets. This will also be considered in line with REC1.2 to transition out of the Roads component.
REC5.3: PARTISIPA to step up work to broaden the disability equity focus, including facilitating wider attention to	AGREE. Municipal planning and budgeting are supported through PARTISIPA’s municipal support teams. Improving our support in inclusive planning and budgeting will be looked at as part of program strengthening in 2025 and going forward.

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preconditions for inclusion in municipal planning and budgeting processes	
<p>REC5.4: Shift the conceptualisation of diverse participation in infrastructure planning and decision-making and accessible design features from ‘GEDSI’ to a critical component of user-appropriate and therefore quality infrastructure. Place the accountability for action on this with the infrastructure technical personnel, rather than the GEDSI team</p>	<p>AGREE. These are practical approaches that may help to integrate important considerations into design of infrastructure, noting that infrastructure technical personnel can take more leadership. The issue of how to do more on gender, disability and social inclusion in infrastructure will need to continually look be addressed in strategy and work plans to make improvements and work with a broad range of stakeholders to take steps forward.</p>
<p>REC5.5: The design and subsequent GEDSI strategy (2026 onwards) to be cast with an explicit intent to centre action on gender equality and disability inclusion in municipal strengthening and municipal governance, expected to include increasing access to and use of data and analysis to inform priorities, greater specificity in gender and disability activities and outcomes (rather than less specific ‘GEDSI’), inclusive leadership, and accountability mechanisms</p>	<p>AGREE. PARTISIPA has been working to strengthen GoTL’s GEDSI mainstreaming capacities and systems. Improving our support in inclusive planning and budgeting will be looked at during the design refresh. PARTISIPA now has in place a strong GEDSI strategy and work plans to both mainstream and target GEDSI activities to build stronger evidence-based programming, inclusive leadership, and accountability – so future GEDSI strategy design would also need to take into account what has worked well and what can be improved, as well as contextual factors.</p>
<p>REC5.6: PARTISIPA to increase its ambition in climate change for rural water to transition to support for climate modelling and adaptation planning in relation to water management (Figure 4).</p>	<p>AGREE. Climate modelling and adaptation planning is one of a number of activities under PARTISIPA’s new climate change strategy. The strategy expands PARTISIPA’s ambition in climate change for rural water using an evidence-based learning approach to guide development of climate resilient operation and maintenance and water resource management. See Management Response to Rec 1.4 i.e. a long-term vision for Climate Change should address how Climate Change can become a primary or secondary objective, and more strongly articulated in the Theory of Change for Phase 2 (via a refresh of the current Climate Change Strategy).</p>
<p>REC5.7: DFAT to determine how its Climate Resilient Communities program could support PARTISIPA climate objectives, particularly in rural water.</p>	<p>AGREE. DFAT has opportunities to leverage the Climate Resilient Communities (CRC) program to strengthen integration of climate change within existing programs including PARTISIPA, and to help leading programs like PARTISIPA to take forward climate change work and to play a role in communication and coordination efforts around Australia’s climate change support. Dili post has made a bid for Co-funding through CRC.</p>

Key Evaluation Question 6: Sustainability

What components of the program are considered to be ‘sustainable’ (i.e. adopted by government/funded by government/high ownership) and what set them apart/enabled those components to be more sustainable? And sub questions 6 (a) and (b)

Key Evaluation Question	Management Response
<p>REC6.1: PARTISIPA and the Embassy to establish a planning process to identify and plan for events that may affect seamless program implementation, such as elections, policy shifts, economic/social disruption etc and to clarify roles and responsibilities for risk management and associated partner government engagement</p>	<p>AGREE. PARTISIPA already has risk management processes in place, and these consider external and internal risks. This will be enhanced through reflection on key contextual risks in the DFAT PARTISIPA monthly management meeting, and monthly corporate meeting. Forward thinking around Timor-Leste election cycle and other policy shifts will also be considered through Embassy-wide and program level exercises.</p>
<p>REC6.2: PARTISIPA to ensure that its support helps establish the stable foundations needed for effective administration, management and infrastructure and service delivery at the municipal level. See also RECs 2.1 and 4.3</p>	<p>AGREE. Anticipated intensification in the speed and impact of decentralisation in Phase 2 will change the mandates and support requirements of municipalities. Changes to law relating to decentralisation will also require stronger support on policy coherence, operational guidance and training of municipal personnel.</p>
<p>REC6.3: DFAT and PARTISIPA should anticipate an increasing demand from municipalities for a wider range of technical skills. As decentralisation proceeds, it will be important to agree what will be within and beyond PARTISIPA’s scope. DFAT support for municipal revenue raising (either through PARTISIPA, PROSIVU or links to other development partners) should be clarified. The MTR team would recommend that PROSIVU is best placed to provide this support to ensure alignment with national practices.</p>	<p>AGREE. As noted above, the pace and progress on decentralisation is likely to intensify in Phase 2, and this will require PARTISIPA’s support to evolve and in some cases intensify. This will be considered as part of the design refresh. PARTISIPA already has a criteria or ‘scope of services’ for working with government, and DFAT and PARTISIPA will need to continue to be clear about what the program can provide in terms of technical assistance and support.</p> <p>DFAT will continue to encourage PARTISIPA and PROSIVU to work together on PFM especially as more transfers are made to sub-national levels, and authority of municipalities to raise revenue increases. PARTISIPA’s support is not likely to include advice on revenue raising.</p>