

Implementation Status & Results

Timor-Leste

Planning and Financial Management Capacity Building Program (P092484)

Operation Name: Planning and Financial Management Capacity Building Program (P092484) Project Stage: Implementation Seq.No: 6 Status: ARCHIVED Last Modified Date: 02-May-2011

Country: Timor-Leste Approval FY: 2006
Product Line: IBRD/IDA Region: EAST ASIA AND PACIFIC Lending Instrument: Technical Assistance Loan
Implementing Agency(ies): Ministry of Planning and Finance

Key Dates

| | | | | | | |
|---------------------|-------------|-----------------------|-------------|------------------------------|------------------------|-------------|
| Board Approval Date | 21-Mar-2006 | Original Closing Date | 10-Jul-2011 | Planned Mid Term Review Date | Last Archived ISR Date | 11-Jun-2010 |
| Effectiveness Date | 15-Nov-2006 | Revised Closing Date | 10-Jul-2011 | Actual Mid Term Review Date | 04-Jun-2010 | |

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

Capacity in the Ministry of Finance strengthened for prudent, effective and accountable planning and management of public finances to promote growth and poverty reduction.

Has the Project Development Objective been changed since Board Approval of the Project?

☒ Yes ☐ No

Component(s)

| Component Name | Component Cost |
|---|----------------|
| Strengthening Capacity in the General Directorate of State Finances | 7.40 |
| Strengthening Capacity in the General Directorate of Revenue and Customs | 4.90 |
| Strengthening Capacity in the General Directorate of Policy Analysis and Research | 4.10 |
| Strengthening Capacity in the General Directorate of Corporate Services | 5.60 |
| Professional Development Program | 2.80 |
| Program Implementation | 2.40 |

Overall Ratings

| | Previous Rating | Current Rating |
|--------------------------------------|-------------------------|----------------|
| Progress towards achievement of PDO | Moderately Satisfactory | Satisfactory |
| Overall Implementation Progress (IP) | Moderately Satisfactory | Satisfactory |
| Overall Risk Rating | | |

Implementation Status Overview

Overall progress on program implementation is satisfactory. The Program continues to provide critical support across all core areas of MOF. In State Finances, there has been good progress in the implementation of Financial Management Information Systems upgrades; strengthening capital expenditure analysis; and strengthening medium-term budgeting. In Revenue and Customs, there has been good progress since the PFMCBP Mid-Term Review in stabilizing core tax administration functions; customs clearance and post-clearance audit. In Policy Analysis and Research there have been: improvements in data sources for macro modeling and analysis; increased analysis and reporting on revenue performance; increased expenditure analysis and forecasting; and first provision of estimates of national accounts (2004 - 2010). Corporate Services have led a major process to develop the MOF Strategic Plan, which will provide the basis for future TA support. Program management has improved over the past twelve months, particularly since the appointment of a Senior Program Manager in November 2009. The team was further strengthened with the additional appointments in the areas of procurement and financial management.

Results

Project Development Objective Indicators

| Indicator | | Baseline | Current | End Target |
|--|-----------------|---|---|--|
| Indicator Name | | Value | Value | Value |
| Institutional Development and Capacity Building Plan implemented and ongoing needs identified. | | IDCBP implemented in part through MOF reorganization and merit-based appointment process. Agreed it will be finalised as part of Strategic Plan process to December 2010. | IDCBP finalized as part of the MOF Strategic Plan presented in draft in April 2011. | Part implementation and M&E of IDCBP. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Additional revenue collected from Petroleum Revenue compliance activities | | In 2009, Petroleum Revenue compliance still does not include field audits | Revenue has now started field audits of petroleum companies, and petroleum receipts have exceeded budget amounts. | Strengthened petroleum revenue compliance leads to additional revenue. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |

Intermediate Results Indicators

| Indicator | | Baseline | Current | End Target |
|--|-----------------|--|---|---|
| Indicator Name | | Value | Value | Value |
| Budget with medium-term outlook submitted to Parliament on time. | | 2010 Budget submitted on time as per Budget and Financial Management Law. Strengthen quality of forward estimates. | Budget submitted by 15 November based on Parliamentary approval. Quality of forward estimates are gradually being strengthened. | Continued timely submission of quality budget, and improved medium-term fiscal forecasts. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Fiscal discipline maintained through reduction in the non-oil deficit as a % of GDP. | | Reduction in non-oil deficit (<100% of non-oil GDP) following moderation in spending growth for 2009 and 2010 State Budgets. | Projected non-oil deficit for 2011 will grow because of a rapid scaling up of infrastructure spending. | Reduction in non-oil deficit to <80% of non-oil GDP. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Aggregate revenue and expenditure outturn # 80% of budget in the last two years | | Revenue outturn is over 90% in 2009, compared to around 75% in 2008. Expenditure outturn in 2009 is close to 90%. | Aggregate revenue and expenditure outturn close to 90% of budget in 2010. | Aggregate revenue and expenditure outturn at least 85% of budget in last two years. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |

| Indicator | | Baseline | Current | End Target |
|--|--|---|--|---|
| Indicator Name | | Value | Value | Value |
| # Quarterly publication of budget execution reports within two months of the end of the quarter. | | Reports have been submitted on time to Parliament. | Budget execution information now available on a real time basis through the Transparency Portal. | Continued full functionality of Transparency Portal. |
| Type | | Date | Date | Date |
| Unit of Measure | | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| Custom Indicator | | Text | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Daily reconciliation of government bank accounts using FMIS. | | Full reconciliation of accounts 2005-09 (\$850mn in receipts and \$800mn in payments). | Reconciliation of government bank accounts now done daily using FMIS. | Government accounts up to date and reconciled in FMIS. |
| Type | | Date | Date | Date |
| Unit of Measure | | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| Custom Indicator | | Text | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Timely publication of audited annual financial accounts. | | Annual Audited Accounts for 2008 are published as required though with some delay because of change in auditors | Audited financial accounts published on time. | Publication of annual audited financial accounts within 30 days after its presentation to the Prime Minister. |
| Type | | Date | Date | Date |
| Unit of Measure | | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| Custom Indicator | | Text | Comment | Comment |

| Indicator | | Baseline | Current | End Target |
|---|-----------------|--|---|--|
| Indicator Name | | Value | Value | Value |
| Improving results from public perception surveys, for each Directorate, of efficiency, effectiveness, ethics and integrity | | In 2010, first survey by Asia Foundation shows a poor public perception of Customs, slightly better for Revenue | Customs continues to suffer from a poor public perception. The Anti-Corruption Commission has recently selected it as a priority for investigation | Improving results from public perception surveys, for each Directorate, of efficiency, effectiveness, ethics and integrity |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Increasing domestic tax collections as a % of non-oil GDP | | In 2009, domestic tax was 9% of non-oil GDP, an increase from 8% in 2007 | Ongoing challenges for revenue mobilization, but estimate as % of non-oil GDP is 11% for 2010. In 2010 direct taxes increased by 38% and indirect taxes increased by 6% | Increasing domestic tax collections as a % of non-oil GDP |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| National accounts published by the Statistics Directorate and three staff trained as national accounts specialists by July 2011 | | Source data for national accounts being established, and efforts under way to appoint staff. SD have set April 2011 to publish national accounts and GDP estimates | First draft of national accounts completed. Expected to be published by June 2011. | Source data for national accounts established; national accounts published; and three staff trained. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |

| Indicator | | Baseline | Current | End Target |
|---|-----------------|--|--|--|
| Indicator Name | | Value | Value | Value |
| Statistics Work Plan agreed by MoF and other stakeholders, with implementation plan agreed and funding secured by end-2010 | | Key elements of SWP being implemented (HIES, BAS and APS). Additional funding secured from other donors. | Continued implementation of the Statistics Work Plan (Household Income and Expenditure Survey underway, Business Activity Survey underway, National Accounts to be published in May, lead Statistics Advisor appointed and helped to develop a Directorate level work plan | Completion of initial targets within the SWP. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Macroeconomic framework sets annual budget ceilings starting in 2009, with four staff able to update and interpret the framework by July 2011 | | A macro framework has started to set the annual budget ceilings. The model is gradually being updated and refined. At this stage it seems unlikely that four staff will be able to update and interpret the framework by July 2011 | Macro framework internalized in MOF. Improved source data for macro model. Strong training plan in place for national staff. | National staff able to update and interpret macro model and framework. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |

| Indicator | | Baseline | Current | End Target |
|--|-----------------|--|---|---|
| Indicator Name | | Value | Value | Value |
| Completion of merit-based appointments across MOF and more than 75% are qualified staff. | | Appointment of Grades A-B completed. Performance management system being developed. | Corporate Services has made significant progress in managing the recruitment of leadership and management positions, and Grades B -E; no data is available on the percentage of positions occupied with qualified staff | More than 75% of positions occupied by qualified staff. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Establishment and staffing of Internal Audit Unit | | No progress to date. | Not progressed yet. | Establishment and staffing of Internal Audit Unit. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |
| Indicator | | Baseline | Current | End Target |
| Indicator Name | | Value | Value | Value |
| Establishment and staffing of Legal Unit | | Limited progress to date -- difficulty in finding suitably qualified staff. The Program has provided important in-line function. | A small legal unit has been established, with one international and one national consultant | Establishment and staffing of Internal Audit Unit. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |

| Indicator | | Baseline | Current | End Target |
|--|-----------------|---|--|--|
| Indicator Name | | Value | Value | Value |
| Improved project supervision rating on implementation progress, procurement and financial management | | Improvements in all aspects of program implementation though more work needed on FM, M&E, and reporting | Program management strengthened significantly. Satisfactory performance on procurement and FM. Improved reporting. Further work needed on M&E. | Satisfactory ratings across all program implementation indicators. |
| Type | Unit of Measure | Date | Date | Date |
| Custom Indicator | Text | 03-Jun-2010 | 03-May-2011 | 30-Nov-2012 |
| | | Comment | Comment | Comment |

Data on Financial Performance (as of 25-Apr-2011)

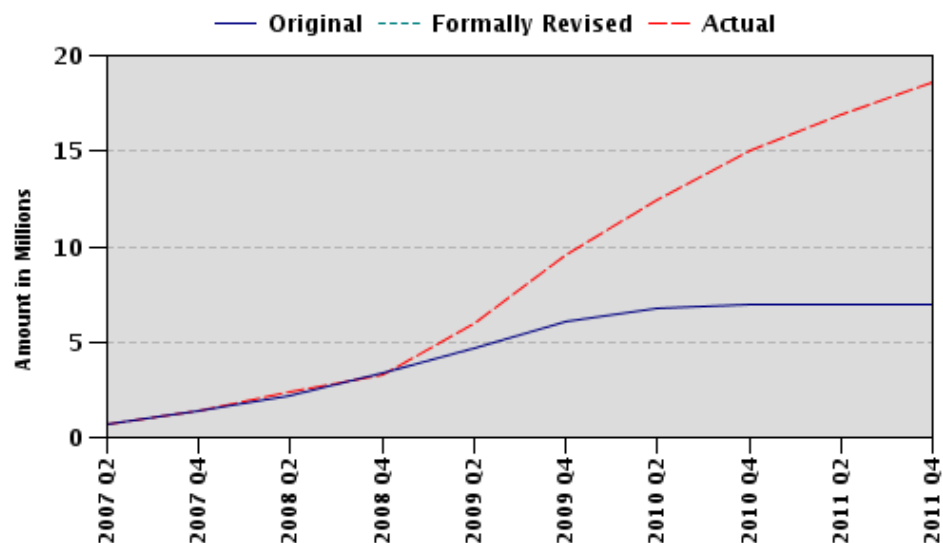
Financial Agreement(s) Key Dates

| Project | Loan No. | Status | Approval Date | Signing Date | Effectiveness Date | Closing Date |
|---------|-----------|-----------|---------------|--------------|--------------------|--------------|
| P092484 | IDA-H2100 | Effective | 21-Mar-2006 | 18-May-2006 | 15-Nov-2006 | 10-Jul-2011 |
| P092484 | TF-93959 | Effective | 18-Mar-2009 | 18-Mar-2009 | 18-Mar-2009 | 10-Jul-2011 |

Disbursements (in Millions)

| Project | Loan No. | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|-----------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P092484 | IDA-H2100 | Effective | USD | 7.00 | 7.00 | 0.00 | 7.31 | 0.12 | 104.00 |
| P092484 | TF-93959 | Effective | USD | 9.50 | 9.50 | 0.00 | 11.28 | 7.72 | 119.00 |

Disbursement Graph



Key Decisions Regarding Implementation

Government in November 2010 requested an eighteen-month extension (July 2011 - December 2012) of the Program. The proposed extension is necessary to start the implementation of MOF's Strategic Plan (SP) which is fully aligned to the program results matrix and expected outcomes. This was discussed at the last PFMCBP Supervisory Committee on 4 April 2011, and the extension is subsequently being processed.

Restructuring History

Level one Approved on 19-Feb-2010

Related Projects