Government of Timor-Leste

Public Sector Capacity Development Program

Design Framework
December 2005

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Abbreviations

ADS	Australian Development Scholarships
ASRP	Annual Strategy Review and Plan
AusAID	Australian Agency for International Development
AYAD	Australian Youth Ambassador for Development
CBF	Capacity Building Facility (current/previous program)
CDCU	Capacity Development Coordination Unit of the Office of the Prime Minister
CDP	Capacity Development Program (proposed program)
CSO	Civil Society Organisation
GoA	Government of Australia
GoTL	Government of Timor Leste
INAP	National Institute of Public Administration
M&E	Monitoring and evaluation
MC	Managing Contractor
MRG	Monitoring and Review Group
NDP	National Development Plan
NDPS	National Directorate of Public Service
NGO	Non Government Organisation
ODA	Organisational Development Adviser
PMG	Program Management Group
POH	Program Operational Handbook
PSLP	Public Sector Linkages Program
PSM	Public Sector Management
SCU-NDPEAC	Sector Investment Plan Implementation Unit, of the National Directorate for Planning and External Assistance
SIP	Sector Investment Plan
SMT	Simplified Monitoring Toolbox
SWG	Sector Working Group
TOR	Terms of Reference

Executive Summary

This document provides a design framework for the next phase of Australia's assistance towards capacity building of the public sector in Timor Leste. Previous efforts since 1999, most recently through the Capacity Building Facility (CBF), have provided diffuse and broad assistance across public sector agencies in a responsive manner to GoET requests. Recognising capacity building is a long term endeavour, the Public Sector Capacity Development Program (CDP) is proposed to be delivered over a ten year time-frame. It will take the form of an increasingly focused and programmed facility with rolling design and workplan mechanisms.

The design recognises that each activity of the Program has multiple direct and indirect benefits, and that capacity building is not a stand-alone project but contributes to the enabling environment of other AusAID projects and other donor assistance. The design framework consists of the following elements.

- **Goal** (the development rationale and ultimate benefit of the program)
  A sustainable and effective system of governance and public administration for the delivery of high quality public services.

- **Mission Statement** (essential nature and differentiating features of the program)
  To strengthen capacity building institutions and processes to build individual and institutional public sector capacity in East Timor.

- **Scope**: (the focus and parameters of the program, to guide priorities for assistance)

  i. Strengthening the capacity of the four public sector capacity building institutions: CDCU, NDPS, INAP and the SIP Coordination Unit of NDPEAC;
  ii. Building the capacity of Sector Working Groups to implement and maintain Sector Investment Plan processes.
  iii. Implementation of priority activities of the Public Sector Management Sector Investment Plan
  iv. Smaller scale but important support for capacity building initiatives across other sectors

- **Modes of assistance**: (the types and nature of activities and support eligible for funding under the program); includes short term technical advice, sub-projects, training, and Australian Development Scholarships, in addition to provision of technical advisers and a range of other initiatives.

- **Operational arrangements**: includes mechanisms for rolling design and workplans through Annual Workshops, Annual Strategy Review and Plans, and the establishment of a Program Management Group with GoTL and AusAID participation in key decision making. The services required of a Managing Contractor are specified.

- **Performance Assessment Framework**: which provides the means for assessing, analysing and reporting on the direct and indirect outcomes and impacts that the program is expected to contribute towards in order to assess the value and benefit

of the Program. This outlines the responsibilities for primary and secondary data collection, analysis and reporting of the Managing Contractor, GoET agencies and a separately contracted Monitoring and Review Group.

A.   Introduction

1.   This Design Framework outlines the rationale, design features and management arrangements for the next phase of Australia's support of capacity building of public sector institutions in East Timor, and is the result of a robust process of analysis and stakeholder consultation.[1] Whereas previous assistance to the sector provided through AusAID's Capacity Building Facility (CBF) has been broad and diffuse, this next phase will provide greater focus of assistance to specific institutions and donor supported plans, in line with emerging East Timorese capabilities and priorities. The program does not 'stand-alone' as a project mode of delivery, but both works with GoET systems and processes, and supports the broader Activities of the AusAID country program strategy and other donors. The long term nature of capacity development for public sector leadership is acknowledged through incorporating management of the Australian Development Scholarships program into the Design Framework. The design retains considerable flexibility to accommodate East Timor's dynamic environment, and places an increased emphasis on monitoring and evaluation arrangements for ongoing review and adjustment. The design may be regarded as an increasingly programmed facility with rolling design and workplans.

B.   Current context

2.   East Timor continues to be amongst the poorest countries in the region. National expenditures on basic social services remain low, albeit expected to increase slowly due to oil revenues, and population growth remains relatively high. This is compounded by lack of capacity of public sector institutions to develop and operationalise pro-poor policies. There has been a high reliance on external international advisers in key public service positions since independence, supported by UNDP, AusAID and other donors, with mixed success.

3.   The GoET is making significant efforts to address human resource capacity deficiencies in East Timor. The Government has adopted the 'three pillars model of capacity building'[2] to standardise approaches to problem analysis and activity planning, which ensures that 'capacity building' is not equated with training. The three pillars address: knowledge and skills, systems and procedures, attitudes and behaviours. The model can be used at individual, group and institutional levels. To this, the concept of the enabling environment needs to be added[3] to provide a framework for capacity building planning and assessment.

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[1] Design, appraisal and re-design missions were held from February to August 2005 to review the situation, consider lessons learned from past experience and consult with stakeholders on options for this next phase of assistance. Greater detail of past assistance and lessons learnt is found in Annex 7. Two Peer Reviews were conducted in AusAID during this period - refer to Peer Review minutes of July 2005 and September 2005.

2 Originally developed and used by the UNDP, it has also been used by CDCU in its capacity building needs survey, has been adopted by the World Bank-led team developing the Planning & Financial Management Capacity Building Program (PFMCBP), and is being incorporated into the AusAID-funded MPFCBP

3 Recognised across the 'capacity building' literature, particularly referred to by Peter Morgan.

4. The Government has also adopted Sector Investment Programs (SIPs) in order to operationalise the National Development Plan.[4] The SIPs will be managed through joint donor-GoET Sector Working Groups (SWGs), which will prioritise programs and expenditure and coordinate the activities of development partners working in the sector. It is important to note that many of the activities across the 17 SIPs involve capacity building.

5. The Public Sector Management SIP (PSM SIP) is of particular relevance to this next phase of assistance.   It outlines an ambitious program of support for Government-wide initiatives, estimated to require US$109 million over five years. The vision for public sector management and governance is: 'To provide a framework for the delivery of the highest quality and value-for-money services possible, within an environment of open, honest, structured and reliable government.'[5] The SIP seeks to promote good governance through a responsible and responsive government including a lean, efficient, effective, accountable and transparent civil service. The four broad policy objectives of the PSM SIP are: (i) Definition and dissemination of rights and obligations of citizens and public servants; (ii) Improving quality and cost-effectiveness of service provision; (iii) Improving the capacities and performance of the civil service over the medium term; (iv) Gender mainstreaming.

6. The SIP documents are developed as a series of separate 'projects' with their own outputs and objectives and resource requirements. The expectation is that different donors and GoET will support specific projects of the SIPs in a coordinated manner. Further information about the PSM SIP projects, including an assessment of the implications of the most relevant projects for this program, is given in Annex 3.

7. The *Capacity Development Coordination Unit* (CDCU) in the Office of the Prime Minister has specific responsibility for developing the Government's capacity development strategy and coordinating activities under that strategy. It has recently completed a Medium Term Capacity Development Strategy 2005/6 to 2007/8 which is awaiting approval by the Council of Ministers.   CDCU is one of the four key GoET agencies that will make up the PSM Sector Working Group (SWG) and will thus help drive the implementation of the PSM SIP. Its legal basis, set out in Resolution No. 4/2003, together with a summary of its roles and responsibilities, is set out in Annex 2. This strengthening of the CDCU's mandate and role with respect to broad capacity building across the public service is further strengthened by the appointment of a highly regarded full-time Adviser (funded by UNDP) who has previous experience with CDCU, and by its co-location with the UNDP and UNOTIL capacity development units.[6]

8. The UNDP and UNOTIL (successor to UNMISET) both are making adjustments to their approaches to capacity building support of the GoET. UNOTIL is providing

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4 17 SIPs prepared, 15 formally approved by GoET covering education, health, natural resources and environment, public sector development, agriculture and fisheries, communications, power, transport, water and sanitation, roads and transport, local government and civil society, etc.
5 This is derived from Section 137 of the Constitution, that 'public administration shall aim at meeting public interest, and that it shall be structured so as to prevent excessive bureaucracy, provide more accessible services to the people, and ensure the contribution of individuals interested in efficient management,' as quoted in the Public Sector Management Investment Program, April 2005, p.10.
6 Note that it is proposed that the AusAID program will also be co-located with the CDCU.

funding for some 45 'most critical' posts to May 2006, a reduction from the 58 of the previous 12 months and is developing an adviser database and a computerised system for monitoring performance of advisers against their objectives, particularly in relation to capacity building.[7] The UNDP Institutional Capacity Development Support Project (ICDSP) provides a package of support including continued funding for up to 118 advisers in critical posts. The Programme Package Document of March 2005 sets out the objectives, a logical framework of outputs, indicators, activities and inputs, the proposed management arrangements, lessons learnt and a number of other features. A full assessment of the implications for CDP of each of these is given in Annex 4. A successor project design has recently been drafted (November 2005 "Developing National Capacity for Public Service Management") which is consistent with the approach being advocated in this design framework. This marks a major shift away from the immediate post-crisis approach of placing several hundred advisers in central and line ministries towards longer-term capacity building. The UNDP will support: the institutional settings for public sector management (policies, laws and regulations); the key organisations responsible for capacity development; the human resource management units in central and line ministries; and the international technical assistance requirements of government. This potentially creates opportunities for greater harmonisation between donors, not only in approach, but in shared management services and structures. This is further discussed in the following Section F.

9.   Besides CDCU, three other key public sector capacity development institutions are identified in the Public Sector Management SIP, and thus need to be directly incorporated into the focus of future assistance.

a)   The *National Directorate of Public Service (NDPS)* is part of the Ministry of State Administration and is responsible for developing and implementing civil service policies and programs as well as for developing regulations under the Civil Service Act. Thus the role of NDPS is similar to that of a Public Service Commission. The Civil Service Act, passed in 2004, provides a framework with which to further strengthen Timor-Leste's civil service and plan for its capacity development. However, in a public sector environment broadly lacking capacity, significant support is required to ensure the Act is well-understood and applied.

b)   The *National Institute of Public Administration* **(INAP)** is intended to be the prime provider of generic training for government staff. Its performance to date has been weak because of a lack of resources to improve its infrastructure and equipment and its own lack of capacity. INAP is working with a number of donors, including AusAID, to improve its capacity. It is an autonomous body under the Ministry of State Administration. It is intended that it will become an independent organisation at some future date.

c)   The *SIP Coordination Unit of the National Directorate for Planning and External Assistance (SCU-NDPEAC)* is responsible for preparation and dissemination of the Sector Investment Programs (SIPs) and for

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[7] These are listed in the 31 projects of the PSM SIP – 21 External adviser database and as part of 11 – Strengthen CDCU. See Annex 4 for further details.

institutionalising them within the government's planning processes. The unit is operating with donor assistance, including through CBF. There is a substantial need for ongoing assistance to ensure the SIPs are managed, implemented, monitored and reviewed by the relevant GoET ministries.

These three agencies currently have differing levels of capacity and leadership, and varying roles to play in the implementation of both the PSM SIP and other SIPs. While CDCU is the 'core' agency for capacity building, strategic support is required to these agencies to leverage the ability of CDCU to be effective.

10. There are a number of other key stakeholders with an interest in public sector capacity building apart from these agencies and donors mentioned above. These include other GOET agencies, particularly the *Ministry of Planning and Finance* (MOPF) and the AusAID funded *MOPF Capacity Building Project*. Some 12 of the 31 projects in the PSM SIP are targeted at strengthening aspects of MoPF, underlying its importance in public sector management, and the critical need to coordinate and complement the work of the proposed assistance and existing efforts. The *World Bank* is also implementing a public sector financial management capacity building program. *Line ministry capacity development units* have also been established in three ministries (Planning and Finance, Agriculture, Forestry and Fisheries, and Labour and Solidarity), and are already supported to some extent by the current AusAID assistance. Other donor agencies projects and programs in addition to UNDP and UNOTIL include the *ADB* which supports INAP to provide a program of capacity building for local leaders at the village, sub-district and district levels; *Ireland Aid* which has funded support to CDCU and, with UNDP, supports the Local Development Fund which provides small grants to voluntary councils at the local village level for community based activities; *JICA*, which has provided funding for curriculum development and training of trainers at INAP; *NZAID* which is currently providing funding through UNDP; and *Portugal* which has been supporting the National University of Timor-Leste and also MoPF. Some of these donors have indicated a willingness to harmonise their support, and the proposed AusAID program may provide a vehicle for them to do so.

11. The private sector has an increasingly important role to play, both in capacity development through sub-contracting training activities to many of the 12 private universities (as currently done by INAP and donor funded projects) and through the GoET policy towards outsourcing some public service functions in the longer term. Civil society organisations were not eventually included in the scope of the previous AusAID capacity building program directly as there are other mechanisms for supporting service delivery and capacity building of CSOs and NGOs. While the focus for proposed assistance in this next phase is on public service capacity directly, it is likely that CSOs will become more significant in advocating for good governance and local accountability as the sector strengthens and GoET policy develops a stronger customer and client focus.

C. Lessons learnt from previous assistance in the sector

12. An analysis of lessons learnt from capacity building activities in general, and specifically from such activities in Timor-Leste and the CBF was undertaken by the

design and appraisal missions in the development of the proposed program. In addition, the UNDP team preparing the design for their next phase also considered lessons learned. A summary of key lessons and implications in available in Annex 7. Perhaps the most important is from a recent ADB report, on the inherent tension between structure and flexibility:

> "Most efforts at capacity development bump up against the tension between control and structure on the one hand and flexibility and experimentation on the other. Many participants are concerned about clear objectives, accountability, the achievement of agreed results, transparency and predictability and the meeting of contractual requirements. Yet the process of capacity development is inherently unpredictable and unprogrammable. It depends critically on constant learning and adaptation to be effective. Detailed planning fails virtually in all cases. Managing this tension becomes one of the main challenges involved in achieving effective results."[8]

Balancing the tension between a strong focus and 'programmed' approach, and retaining flexibility, is thus a key feature of the proposed next phase of assistance.

13. Key lessons resulting from situational analysis and design consultations will be incorporated into the strategy for the Public Sector Capacity Development Program.[9] These include:

- the inherent long term nature of capacity building (hence this framework being developed for a ten year time frame, with regular review).
- strengthening ownership by working within PG systems and processes (thus adopting the SIPs and PSM SWG as key management tools);
- reliance on the quality of advisers (and thus importance of selection processes and TOR preparation)[10];
- the need to mentor Advisers to adopt consistent capacity building approaches and methods (thus building in core functions of the Managing Contractor);
- the importance of language ability (hence the co-location with pool of interpreters, and requirements for Advisers to commit to language study);
- importance of donor collaboration to avoid duplication and inconsistent approaches (hence working through the GoET-led SIP processes);
- and the difficulties and importance of effective monitoring and evaluation for capacity building (thus the development of a more sophisticated process of analysis for this program than in the past).

14. Feedback from the CBF's Facility Management Group (FMG), AusAID Post, Partner Government officials and CBF's implementing Contractor and current Advisers suggest that the program has been highly effective in mobilising assistance to the GoET for high priority policy and program areas in a flexible and responsive manner. The effectiveness of individual Advisers and projects has been highly dependent on the quality of Advisers mobilised, and on the absorptive capacity of the partner institution and counterparts. The management arrangements and processes by which the GoA and GoET cooperate in the CBF have evolved over recent years and become highly effective as models for donor cooperation. Particularly the joint

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[8] ADB (2004) Position Paper on Capacity Building
9 A detailed summary of key lessons and implications can be seen at Annex 7.
10 For TORs of the Ideal Adviser, see Annex 7

decision making mechanism of the Facility Management Group, which has engendered a sense of partnership and ownership over resource allocation and priorities.

15. The broad and diffuse nature of assistance implemented by CBF, which was particularly pertinent during the immediate post-conflict period, provided challenges to the Managing Contractor and AusAID in providing higher level performance information about outcomes and impact, beyond assessing the quality and results of individual inputs. In line with recent changes in the policy and institutional environment in Timor Leste, the next phase of proposed assistance aims to address these critical issues.

16. Lessons learned from ADS programs including in Africa, Philippines, and Papua New Guinea suggests the scholarships program has a greater impact when award are targeted in priority areas to achieve articulated objectives, and structured around an individual action plan outlining those objectives.

D. Analysis of capacity building needs

17. There have been numerous studies of the need for capacity development in the public service in East Timor. One of the first, which provided input to the design of CBF, was the **Capacity Development for Governance and Public Sector Management** in East Timor, 2001, known as GPSM. Its focus was on the common needs of the public service, including senior and middle management and supervisory skills, office management and administration, common and central services (including HRM), local governance and administration, and cross-cutting development issues including gender equity. Each ministry would be responsible for its own technical capacity development. The findings of this study still apply some four years later, reflecting the fact that capacity development is a long-term process.

18. A more recent study of capacity building needs has been done through a survey of all ministries and agencies during 2004. The results have been reported in the **CDCU's Medium Term Development Strategy**. The report notes that much of the capacity development is focused on training and that it is likely that there is a significant overstatement of the need for advisers. The draft strategy developed to address the needs is still awaiting official approval.

19. A third study is found in the **PSM SIP** of April 2005. It provides a comprehensive assessment of capacity development needs, summarised in the following statement: "*Building the capacities of the National Government is a formidable challenge and one that will occupy the country for some years to come.*"[11] The PSM SIP program has a total cost of US$109 million and there is currently a funding shortfall of some US$64 million.[12] Among the 31 projects are three projects to strengthen three of the four key capacity building agencies, namely CDCU, NDPS and INAP. This highlights the fact that in Timor-Leste there is a need to, in effect, build the capacity to build capacity.

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[11] Public Sector Management Sector Investment Program April 2005, p.11

12 US$17 million would come from CFET and US$27 million from funds already committed by development partners. See PSM SIP p.iv

20. There is also a clearly defined need to support the SIP process, which is managed by the SIP coordination unit in NDPEAC. Support is currently being provided through CBF which has drafted a 'mini-project' of support that will address current and future needs including SIP coordination, Sector Working Group coordination and capacity building, developing and piloting a SIP monitoring and evaluation framework, and starting to build project management capacity in some of the SWGs. This is important follow-up work to the development of the SIPs and will help to ensure that they are implemented and institutionalised.

21. There remains a confirmed ongoing need for a flexible, responsive facility to respond to needs and gaps that other programs cannot fill. The current CBF is highly regarded and valued by GoET and AusAID, and is also being used by other development partners. The management structure of the current CBF is also seen as a strength and in some ways has pioneered the concept of partnering between the Government and AusAID. Thus it already addresses the principle of government ownership, although there may be opportunities to strengthen this further.

E. Australia's interests and priorities

22. Australia has an established history of supporting public sector management in Timor-Leste, and has provided US$33 million, or a third of all development partner assistance, in this sector over the past 5 years.[13]   The AusAID Country Program Strategy for East Timor identifies improving the effectiveness and accountability of the Government's systems, and improving the delivery of essential services, both of which would be served through enhanced public sector capacity, as critical policy imperatives. The portfolio of AusAID's assistance to East Timor is also critical dependent on an effective public service, particularly institutions which has a whole-of-Government responsibility such as the CDCU and others the focus of the proposed assistance. The CBF has laid a strong foundation for cooperation in this sector, and many of the Advisers currently deployed remain in areas of high priority to the GoET. In addition to AusAID there is scope for other GoA agencies and state governments to provide capacity building support to GoET[14] through the AusAID's Public Sector Linkages Program (PSLP).[15]

23. AusAID is also increasingly required to demonstrate effectiveness and impact of assistance provided, while improving resource and management efficiencies. Performance measurement approaches which provide AusAID with a clear analysis of the benefits of the assistance require a more focused and programmatic approach than in the past.

24. The design team was asked to consider two further areas for integration into the design framework and/or the management services required of a Managing Contractor for this program:

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[13] Public Sector Management Sector Investment Program April 2005, p.40

[14] This has happened in the past (Treasury officials in MoPF), and continues today (AFP support to the PNTL).

[15] Already the Government of the Northern Territory has offered to assist NDPS to develop a human resources strategy.

i.   Australia has committed itself to providing up to eight (8) Australian Development Scholarships (ADS) per year to develop sustainable capacity in East Timor. The relatively small number of scholarships being provided does not warrant a separately designed and contracted program, and yet AusAID requires additional management support to administer the scholarships. The recent design for an East Timor Australian Development Scholarships project proposes that ADS scholarships be targeted primarily at East Timor's public sector. As the proposed CDP is focused on public service capacity, there appears to be considerable merit in integrating the selection process, priorities for the ADS allocation and management arrangements within the CDP design framework. The scholarships provided can be seen as one of the modes of assistance towards the CDP outcomes. The monitoring and evaluation arrangements for scholarships will be undertaken both within the CDP Performance Assessment Framework and separately.[16] The design document is attached at Annex 12.

ii.   Counterpart agencies of other AusAID projects and programs also request Advisers from time to time. These long and short term Advisers carry out functions specific to their sectors and line agency programs and thus do not contribute directly to the CDP outcomes. However, the management and administrative functions required to support the recruitment, mobilisation and supervision of these Advisers is consistent with the functions required of the CDP Managing Contractor. Thus, this additional function is included in the role of the CDP Managing Contractor. Funds for these Advisers come from other Projects and Programs of AusAID. Responsibility for monitoring the outcomes of their work remains the responsibility of the requesting program, although the CDP Managing Contractor will have responsibility for some primary reporting of Advisers placed and quality oversight. The payment structure for this function is based on a percentage of the value of the service concerned, as outlined in the CDP Scope of Services at Annex 8.

F. Options for assistance and rationale

25.   Several design and appraisal teams have widely canvassed the options for assistance to this sector to build upon the foundations laid in previous assistance. In general terms, they include the options as diverse as maintaining the previous open-ended 'facility' approach responding to GoET requests for assistance; designing a specific institutional strengthening 'project' tailored to the needs of one (or more) key institutions (such as CDCU), or developing a flexible 'program' of support linked to the PSM SIP. These options were rejected for various reasons: the 'facility' continues to be too diffuse to demonstrate impact and the policy and institutional context has changed significantly; a focus on one institution is too narrow given the CDCU, for example, can only operate effectively in concert with other key institutions whose capacity must be strengthened concomitantly; the flexible program linked to the PSM SIP focuses attention on the projects of the SIP itself, rather than the processes of capacity building and sustainability, and is too narrow for the flexibility imperative which is recognised as a key feature of past effectiveness and high regard of the Facility, particularly related to GoET emerging needs and donor complementarity.

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16. See Performance Assessment Framework at Annex 10, and the Scope of Services at Annex 8.

26.   Extensive analysis and stakeholder consultation resulted in clear needs and a preferred approach to implementation of a public sector capacity development program. The rationale for the program of assistance, incorporating lessons learned as outlined in Annex 7, is based upon the following key principles and strategies:

▪   ***Importance of working within Government systems and policies***, thus tying assistance to the SIP processes and mandates of key institutions;

▪   ***Recognition that capacity building – in line with the Three Pillars – is needed at an individual, institutional and enabling environment level*** to be most effective; thus supporting initiatives which address multiple levels rather than focus on one;

▪   Sustainable capacity building derives from ***strong local ownership*** and involvement in policy setting and decision making; thus utilising the PSM SWG as a critical decision making body for assistance, and involving PG officials in all key decision making steps (through the Program Management Group)

▪   Developing a greater focus on key institutions and programs, yet ***maintaining flexibility*** to adapt to a dynamic context; by incorporating mechanisms for rolling planning within defined parameters.

▪   ***Capacity building is not an end in itself*** or a stand-alone project, but a means for improving performance of institutions and services and capacity building directly complements other assistance provided by other AusAID projects and other donors; thus the monitoring and evaluation framework for the program includes sophisticated processes of analysis of a multiple range of direct and indirect benefits.

27.   Concurrent to AusAID developing this Framework, UNDP undertook a design process for further assistance to the Sector.   The draft "Developing National Capacity for Public Service Management" outlines a ten year, multi-donor program of support to the sector. The Post has had discussions with UNDP over potential for greater harmonisation, and various options have been considered, including co-financing the UNDP program and sharing project management services. AusAID has determined that parallel financing is the most appropriate approach to working in this sector, whereby the UNDP and AusAID agree on an overall approach and agree to work within GoET management systems and structures, and to share where possible monitoring and evaluation, and potentially other policy and strategic management functions, but where AusAID continues to implement its own program of assistance in the sector, as outlined in this Design Framework.   In line with this commitment, AusAID may need to vary the program management structures and role of the Managing Contractor to accommodate greater harmonisation amongst donors over time.

28.   In developing the Design Framework[17] the design team considered two critical features of the underlying concept behind the proposed assistance and conclude that

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[17] Refer to Ian Anderson, Design Kit for AusAID Staff, 10 key questions; and the 10 elements required for design, from the draft AusGUIDE guidance on detailed preparation.

the Logframe approach to design was inappropriate: (i) that each individual activity implemented under the program may have one primary result but, as is usually the case with capacity building activities, will often have multiple effects; and (ii) that the proposed assistance will complement, coordinate and support GoET and other donor inputs and activities in implementing their own SIP processes, capacity building plans, and service delivery, rather than act as a stand-alone project with one simple clear result. In this way CDP contributes towards a wide range of outcomes and impacts, rather than causing them[18]. This leads to adopting a contribution analysis approach, or an indirect rather than direct causal approach, for design and monitoring[19], further detailed in the Performance Assessment Framework attached at Annex 10.

G. Design Framework

29.   The Design Framework may be classified as an increasingly 'programmed' facility with a rolling design and workplan.[20] The proposed design consists of the following elements:

- **Goal and Mission statement[21]**: the overall development reason for the program and the fundamental differentiating feature of this program compared with other assistance.
- **Scope**: the focus and parameters of the program, to guide priorities for assistance.
- **Modes of assistance**: the types and nature of activities and support eligible for funding under the program.
- **Operational arrangements**: how the program will work in practice and be managed.
- **Performance Assessment Framework**: the means for assessing, analysing and reporting on the direct and indirect outcomes and impacts that the program is expected to contribute towards in order to assess the value and benefit of the Program.

Goal

30.   The goal for the program is:

A sustainable and effective system of governance and public administration for the delivery of high quality public services.

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[18] For example, CDP support to SWGs may lead to more effective capacity building projects funded by other donors, so CDP would have a contribution, or an indirect impact, to their results.
[19] Refer to John Mayne, "Assessing attribution through Contribution Analysis", National Audit Office of Canada, 1999. Refer also to AusAID, 2004, "Lessons Learned from New Forms of Aid", Annex 4.
[20] 'Programmed' facility means having features of facility mechanisms and management, but being structured and managed to result in a more focused set of initiatives to result in a coherent portfolio which is interdependent and contributing to common outcomes.
[21] 'Mission' statement is used as opposed to Goal, Purpose of Objective, because there is no one simple indicator or set of indicators that measures the benefits or results of the Program (as in a LF, convergent, model)

Mission Statement[22]:

31.   The mission of the proposed Capacity Development Program is:

> To strengthen capacity building institutions and processes to build individual and institutional public sector capacity in Timor-Leste.[23]

Scope

32.   The scope or parameters of the program will include:

  a) Strengthening the capacity of the four public sector capacity building institutions: CDCU, NDPS, INAP and the SIP Coordination Unit of NDPEAC, both individually and as a group.

  b) Building the capacity of Sector Working Groups to implement and maintain SIP processes.

  c) Implementation of priority activities of the PSM SIP

  d) Smaller scale but important support for capacity building initiatives across other sectors, through mechanisms established by CDCU or the other capacity building institutions, including the capacity building units of other line ministries.[24]

33.   The scope provides the fundamental basis for prioritisation and direction of assistance. Proposed activities will need to fit within these parameters in order to be eligible for funding.

Modes of Assistance

34.   Capacity building 'facilities' have traditionally be seen as a mechanism for mobilising advisers to work in key positions in Partner Government agencies, either to support counterpart staff to undertake their functions through training, mentoring and technical advice, or to undertake specific technical tasks on behalf of a counterpart agency in the absence of existing capacity to do so. In building on the successful approach of the previous CBF, this program will embrace a deliberately broader range of modes of assistance in order to address individual, institutional and systematic capacity building approaches. These will include:

- Provision of individual **advisers** deployed into counterpart Agencies in non-line management functions (coaching, modelling, advising, supporting, training, mentoring)

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[22] 'Mission' statement is used as opposed to Goal, Purpose of Objective, because there is no one simple indicator or set of indicators that measures the benefits or results of the Program (as in a LF, convergent, model)

[23] This might otherwise be seen as 'building capacity to build capacity'.

[24] As at August 2005 these were set up only in the Ministries of Planning & Finance; Agriculture, Forestry & Fisheries; and Labour & Solidarity.

- Provision of **technical assistance** to undertake specific tasks with and on behalf of counterpart Agencies (eg policy studies, policy advice, research), through subcontracts to local or international organisations or individual advisers
- Provision of **tailored training programs** through local or international sub-contracts
- Design and delivery of **projects** delivered jointly by counterparts and sub-contractors and/or advisers.
- Provision of ADS **scholarships** to public sector agency nominees
- Support of **third country** training and scholarships
- Placement and support of **volunteers** such as Youth Ambassadors
- Possibly, coordination and support to **Australian government officers** under the partnerships linkages program, including officers from the Northern Territory Government.

In general, the program will not support infrastructure, capital works or recurrent budget expenditure, as these are unlikely to be financially sustainable and do not lead to capacity building.

Program operational arrangements

35. The key management and operational mechanisms for the program are:

- *Annual planning workshop:* It is intended that the program will be reviewed and planned through a stakeholder workshop each year, to review what has worked well and what lessons can be learned, to check on and update GoET priorities and strategic directions and assess their implications for the program, and to identify broad areas of activities to be undertaken in the following year. All stakeholders should be invited, including GoET officials, AusAID, other donors, CDP staff and advisers, and any other relevant advisers. The outputs of the workshop will provide input to the Annual Strategy Review and Plan.

- *Annual Strategy Review and Plan (ASRP):* This will be produced following the planning workshop and will include a report of assistance provided and achievements in line with the scope of the design framework, a review of the status of sector (particularly the public sector), needs assessment and requests from agencies received, commentary on the status of the current design and required changes, and recommendations for assistance. The plan will be formally approved by the PSM Sector Working Group. The ASRP is the critical mechanism for ensuring that a coherent and interdependent portolio of activities is developed under the Program.

- *ADS Annual Training Strategy*: Targeting of ADS scholarships will be undertaken through the preparation of an Annual Training Strategy (ATS). This strategy will have a medium term focus, but reviewed and updated annually. It will draw on information gathered through the ASRP to examine human resource development priorities of institutions, and the areas and levels of studies required in each sector. Further detail is provided in the ETADS project design at Annex 12.

- *Six month workplan:* The six month workplan will provide a detailed budget for the forthcoming period based on approved Proposals for Assistance. Over time, the workplan may become an annual workplan.

- *Proposals for assistance*: Requests and proposals for assistance from the key stakeholders will initially be generated through a brief concept Proposal for Assistance (max 3 pages) for consideration by the Program Management Group (PMG). Such a proposal may cover preferred personnel and skill levels eg Expert adviser, government twinning arrangement, AVI. This may be attached as part of the ASRP or considered in any monthly meeting. The proposal should indicate the rationale, outputs and objectives, cost and timing, and linkages to GoET stated goals and plans (particularly the SIPs).

- *Selection criteria*: Selection criteria for resource allocation of Proposals for Assistance will be prepared and maintained by the PMG. The criteria should reflect the scope, the intended outcomes (both direct and indirect), and modes of assistance of this design framework. A draft list of criteria was discussed at the workshop during in-country consultations in August 2005 and should be used as the basis. The list is given in Annex 1 on workshop outputs.

- *Adviser TOR:* A standard format will be maintained for Adviser TOR, based on a model developed by the CDCU to ensure coherence of capacity building approaches throughout the program. Adviser TOR need to be endorsed by the PMG and the relevant line or counterpart Agency.

- *Internal and external reporting*: Each element of assistance (adviser, project, TA etc) will ensure basic requirements for internal reporting to the relevant line agency is maintained, and external reporting back to the Managing Contractor is provided.

These mechanisms and systems (including the formats, requirements and standards) will be developed during the first three month mobilisation period as part of the Program Operations Handbook for consideration by the PMG. ADS specific requirements outlined in Annex 12 will be incorporated into this process.

36.   In order to facilitate the transition from past assistance to this new phase, AusAID has appointed an Organisational Development Adviser for six months. A TOR for the AUSAID ODA is included in Annex 6. The AUSAID ODA will have a range of responsibilities related to: (i) planning for the proposed Public Sector Capacity Development Program; (ii) supporting the CDCU; (iii) support to SIP implementation and the existing CBF sub-project.[25]

Indicative first year work program

37.   At the workshop held during in-country consultations in August, the participants were asked to nominate the highest priority activities for implementation.

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[25] Note that the Institutional Development Adviser specified in Key Personnel of the Managing Contractor should be nominated separately in the tender process.

They worked through two lists, one of relevant projects from the PSM SIP and another of potential activities identified during individual discussions with stakeholders as well as from the design team. The results are shown in Annex 1 on workshop outputs. In summary, the highest priority issues are:

(a)   Clarify roles and responsibilities of CDCU, NDPS, INAP and NDPEAC and strengthen coordination and cooperation between them

(b)   Human resource management in the Public Service – working with NDPS and strengthening it; implementing the regulations relating to the Civil Service Act

(c)   Strengthening INAP, particularly to help it become independent

(d)   Strengthening the SIP process, embedding it and building the links between SIP, AAP, QRM and combined sources budget

(e)   Leadership & management training

(f)   Strengthen CDCU, starting with developing its organic law

(g)   Medium term HR strategic plan.

38.   These priorities will be discussed, refined, developed and costed by the AusAID-appointed Organisation Development Adviser (AusAID ODA), taking into account further developments since the consultations, particularly the work programs of other advisers.

39.   The AusAID ODA will also need to assess current activities being undertaken through CBF and get agreement as to which should continue under CDP. Both the second and fourth priority will build on existing or approved CBF activities, while the current CBF activity of developing the Ministerial Capacity Development Action Plans (MCDAPs) has the potential to be a key capacity building mechanism for CDCU and would thus become part of the sixth priority[26].

40.   In implementing its Exit and Transition Strategy, the current CBF Contractor will make arrangements for the novation of contracts of existing Advisers to the new Program as required.

Program management roles and responsibilities

41.   This section sets out the mechanisms for management and decision-making relating to the program. There are several critical management functions to be undertaken by different stakeholders. The following diagram identifies the primary accountability relationships, using existing GoET structures as much as possible. This reinforces the intent of the program to build local ownership and complement the work of the GoET and other donors, and promotes sustainability of processes and systems. Secondary accountability relationships reflect the nature of the contractual and other relationships inherent in program management and implementation.

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[26] Another highly regarded CBF activity, Operational Planning, may be transferred to the AusAID-funded Ministry of Planning & Finance Capacity Development Project (MPFCBP), because of the obvious links with the budget process.

Management Arrangments
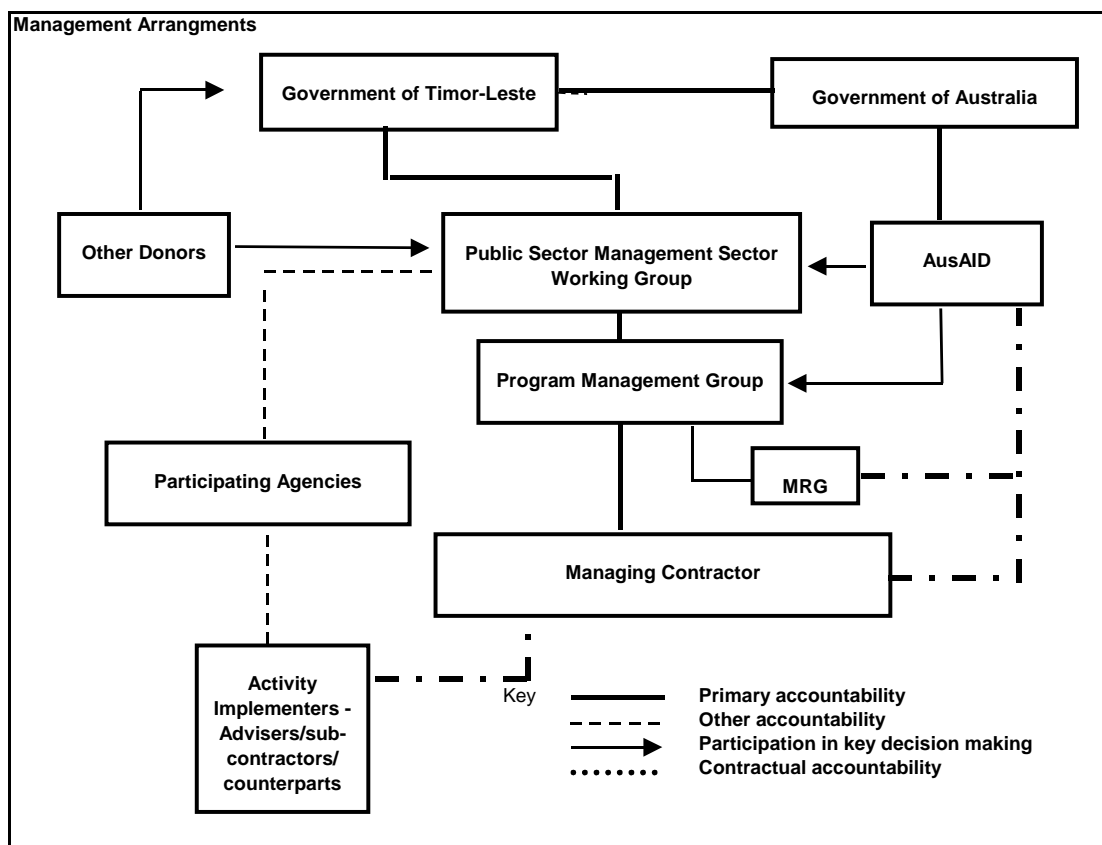
Public Sector Management Sector Working Group (PSM SWG)

42.   The Public Sector Management Sector Working Group (PSM SWG) comprises key GoET institutional representatives, plus significant donors to the sector. Terms of Reference for all SWGs are to be finalised as part of the work of the SIP Coordination Unit. The key functions of the SWG include:

- Provide overall policy and strategic oversight of the PSM SIP
- Review SIP performance and annual planning
- Coordinate and harmonise donor efforts in the sector
- Discuss and resolve issues of coordination and quality of capacity building support
- Oversee resource allocation of GoET and donor funds.

Discussions in Dili confirmed that it made sense to use the PSM SWG for strategic management and oversight of the Capacity Development Program, rather than setting up a parallel structure. It is likely that many of the activities of the CDP will relate to the PSM SIP, so much of the business of SWG meetings will relate to CDP[27]. The PSM SWG is expected to meet either quarterly or six monthly. Consideration of the program will be one agenda item of the meeting.

In relation to CDP, therefore, the PSM SWG will:

- Endorse the annual plans of the program on behalf of the GoET
- Ensure coherence with the PSM SIP and other donor contributions

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[27] Indeed, the CDP and the proposed joint donor-funded Public Financial Management Capacity Building Program (PFMCBP) will between them cover most of the current list of projects in the PSM SIP.

- Review performance of the PSM SIP overall and the program's contribution to SIP implementation.

Program Management Group (PMG)

43.   A Program Management Group, similar to the Facility Management Group of CBF, will be responsible for operational management, including program planning and review. It will comprise representatives of the four capacity building institutions (CDCU, NDPS, INAP, SIP Coordination Unit) and AusAID. It will meet monthly or as otherwise required. Responsibilities of the PMG include:
- Review and endorse annual and six monthly plans
- Approve resource allocation under the program
- Identify and select activities for assistance under the program
- Appraise proposals for assistance
- Review program progress reports from the Contractor (and/or advisers and individual activities as appropriate)
- Review participation and commitment of participating organisations
- Review performance of the Contractor and implementing parties
- Make recommendations for strategic and policy direction for consideration of the SWG (and/ or the GoET and AusAID as appropriate).

41.   The PMG, with the addition of a representative from the Scholarships unit of the Ministry of Education, will become the PMG ADS Committee, and will undertake duties as further outlined in Annex 12 in regard to management of Australian Development Scholarships.

AusAID

44.   Responsibilities of AusAID officers at Post with regard to this program include:
- Monitor PSM reform and capacity building activities, including the work of other donors
- Participate in strategic direction and policy of the program through the SWG and PMG
- Identify and propose relevant activity proposals as appropriate
- Identify and ensure linkages to other AusAID programs
- Participate in briefings (as appropriate) of advisers, and maintain informal relationships with key personnel
- Participate in program reviews
- Undertake ongoing program outcome and activity level monitoring
- Oversee contract management and administration.

AusAID will be represented in the program by the designated A-based officer at the PMG and SWG as appropriate. In these functions, AusAID is responsible for ensuring strategic and policy coherence, and high level program monitoring. The AusAID Activity Manager, who will also attend these meetings, will be responsible for day to day contract management and will undertake informal program monitoring in support of formal monitoring mechanisms. This includes maintaining relationships with key counterparts and agencies, other donors, the Managing Contractor and implementing parties.

Managing Contractor

45.   The Managing Contractor will be primarily responsible for operational management of the program. This will include the provision of a range of services at the program level, and the activity, or implementation, level. Full responsibilities of the Managing Contractor are given in the Scope of Services (Annex 8). In summary, responsibilities include:

Program level

i.   Support program planning and review through holding the annual stakeholder workshop, preparing an Annual Strategic Review and Plan for consideration by the PMG and endorsement by the PSM SWG and preparing detailed six-monthly workplans.

ii.   Maintain relationships with key stakeholders - including Government agencies, other AusAID-funded projects and other relevant projects and donors - and maintain collaboration and effective working relationships.

iii.   Monitor public sector development and other capacity building activities and donor efforts.

iv.   Establish and implement appropriate monitoring and evaluation systems and methods (in line with the responsibilities outlined in the Performance Assessment Framework of the document), and including the completion of the Simplified Monitoring Toolbox for AusAID periodically.

v.   Manage staff employed by the program, ensuring performance meets standards outlined in approved TOR.

vi.   Establish and maintain systems for financial management, human resource management, contract management, quality assurance, project planning and review, and resource allocation, including through the development of Program Operations Handbook.

vii.   Provide oversight for capacity building programs/activities and provide technical assistance to key government Agencies in establishing systems for capacity building coordination and support. This will include working alongside the advisers, technical assistance, project and other support provided to Agencies for this purpose to ensure coherence and quality of approach across the program.

Activity level

viii.   Establish and implement systems for scoping activities, preparing terms of reference, sub-contracting and tendering.

ix.   Select, brief and mobilise advisers funded under the program activities, and for advisers nominated by other line ministries and AusAID. All advisers working in East Timor for six months or longer are required to attend language training as appropriate to the length of their assignment.[28]

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[28] Language training will be funded as a reimbursable cost in the Contract as approved by AusAID on the basis of the MC's tender, contract negotiations and approved Operations Handbook.

x.   Facilitate the implementation of other capacity building activities using a
        variety of modes of assistance, and in consultation with other stakeholders, eg
        PSLP, AYAD.

xi.   Supervise and support the performance of advisers funded from this program,
        and others as required across the AusAID program.

xii.   Vet proposals for quality prior to submission to the PMG and monitor the
        implementation of assistance provided under the CDP. This will include
        establishing a system for regular reporting from those providing and receiving
        assistance under the program on inputs, outputs and key achievements.
        Informal monitoring of performance through regular site visits, discussions
        with counterparts and key stakeholders should also be maintained.

Additional Management Functions

xiii.   Manage ADS, including selection procedures, deployment to appropriate
        universities, manage financial support of scholarship holders, provide
        briefings pre- and post training. This will include maintaining the SIMON
        database for scholarship reporting. In addition, the Managing Contractor will
        establish an ADS selection committee with AusAID and appropriate GoET
        representatives which will meet at least annually. The Managing Contractor
        will also monitor the performance of ADS recipients and report on completion
        and return to work. Full details of Managing Contractor responsibilities in
        regard to ADS are outlined in the East Timor Australian Development
        Scholarships Project design at Annex 12.

xiv.   Provide services at the direction of AusAID recruitment, logistical support
        and/or management of other advisers working in areas outside CDP and where
        the funding is provided from other sources[29]. Note that the Scope of Services
        regards this function and fees as distinct to the core function of the Contractor
        in this Program.   This service will be provided on a fee for service basis, with
        the fee to be derived as a percentage value of the particular service. The Scope
        of Services at Annex 8 provides further details.

xv.   It should be noted that the incorporation of ADS management functions and a
        recruitment function into the Contractor's responsibilities for the CDP has the
        benefit of increasing the alignment and synergy between the different parts of
        AusAID's East Timor Country Program, and of ensuring consistency of
        approach in the preparation of TOR and recruitment, briefing and oversight of
        Advisers recruited for other programs.

xvi.   A number of additional services may be incorporated in the role of the
        Managing Contractor over time, including the management of non-AusAID
        scholarships (such as for NZODA). The provision of such services would be

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[29] For example, short term advisory support might be identified for another AusAID-funded project
which did not have the capacity to recruit or support such people, so these services would be
'contracted out' to the CDP's Managing Contractor who would receive a fee for the services provided.
These additional responsibilities would be outside the oversight of the PMG.

negotiated between the donors and the Managing Contractor to mutual satisfaction, in accordance with procurement guidelines of the relevant parties.

46.   All the above Managing Contractor responsibilities will be carried out by the following Key Personnel:
- Program Manager (60 months)
- Activity Manager (60 months)
- Organisational Development Adviser (24 months initially; further input to be decided by the PMG)
- Training and Capacity Building Adviser (60 months)
- M&E Specialist (2 months in first six months, 1 month per year thereafter)
- Administrative and support staff, including full time translaters/intepreters for each of the international personnel (up to five in total)

47. Specific ADS Personnel will be required in East Timor to carry out Managing Contractor responsibilities for the ADS program:
- ADS Manager (60 months)

48. In-Australia personnel for Managing Contractor administration of ADS responsibilities will require anADS coordinator.

49. Terms of Reference for these positions, including selection criteria, are included in Annex 9. Note that the in-Australia positions relate to the management of ADS in accordance with the standard requirements for ADS management. The Program Manager in East Timor has the primary carriage of responsibility for the overall program and for communication and relationship with AusAID related to the program.

50. Other in-Australia support for CDP shall be proposed and managed by the Managing Contractor.

Monitoring and Review Group (MRG)
51.   A Monitoring and Review Group (MRG) is responsible for undertaking a secondary analysis of monitoring information available from the GoET and program documentation (see section on Performance Assessment below). AusAID will contract the MRG separately, and they will be responsibe for reporting to AusAID and the PMG. Responsibilities of the MRG include:
i.   Assess the impact of the program through an analysis of available primary monitoring information provided, including a review of contextual information, published literature and documentation of other donors, and consultation with key stakeholders.
ii.   Assess the efficiency, effectiveness and quality of the program in delivering assistance (inputs, outputs and immediate achievements) through verification of program prepared documentation (ASRP and reporting).
iii.   Assess contractor performance, through a combination of effectiveness and quality performance measures and contract compliance. This assessment will also include performance of any additional adviser-related services contracted by AusAID for projects outside CDP.

52.   The methodology for MRG contractor performance assessment will be developed by the MRG as part of the Performance Assessment Framework, and key performance measures will be related to payment incentives as outlined in the Scope of Services.

53.   The MRG will comprise:
- M&E specialist (1 month per year)
- Organisation development / capacity building specialist (1 month per year)
- AusAID nominee (normally the Activity Manager, or AusAID Canberra Adviser)
- GoET nominee.

The MRG will undertake a two week in-country review, initially every six months although the PMG may decide to change them to annual visits. One of the two specialists will act as team leader and be responsible for the overall report, with contributions from other team members. An additional one month's input should be provided to the team leader for report writing and follow up. TORs for the MRG are attached at Annex 11.

Location, cost and timing

54.   The program has been conceived as a ten year program in recognition of the long term nature of capacity building in East Timor. It will be contracted in two separate 5 year periods. As the program will evolve substantially, AusAID will undertake formal reviews each 2½ years. The five year mark will see a significant review of the design and performance of the program in planning for the next major phase.

55.   A budget of A$5 million a year has been set aside for the program for an initial five years, inclusive of ADS management fees. Payments will be made as Management Cost and Fees for Managing Contractor services, and as reimbursable program implementation expenses. It is anticipated that the funds would be allocated across the four elements of scope of the Program in the ratio of (i) 40%, (ii) 20%, (iii) 30%, (iv) 10%.

56.   The level of funding programmed through the Annual Workplan will increase with time. As a guide, the Managing Contractor will aim to program 50-60% of CDP funds in Yr1, with 40-50% being available to respond to emerging needs. This proportion should rise by 10% per year and stabilise from Yr4 onwards, when only 10-20% of annual funding will be available to respond flexibly.

57.   Note that funds for the costs of ADS university fees and payments to candidates will be provided separately and directly by AusAID.

58.   The program is expected to begin in June 2006 with a seamless transition from the previous Capacity Building Facility.

59.   The program will be co-located with the CDCU as one of the key counterpart institutions.

H.   PERFORMANCE ASSESSMENT FRAMEWORK

60.   The underlying strategy of the Program has two critical features:

  (i)   building capacity to build capacity; and

  (ii) supporting initiatives which facilitate capacity of the enabling
        environment, thus supporting the work of other AusAID projects and the
        work of other donors.

61.   This has led to a design framework for an increasing programmed facility with rolling design and workplans. This design structure does not have a Logframe based set of causal relationships between outputs and outcomes with matching indicators, as the basis for performance assessment. Rather, the performance framework must be based on the analysis of available evidence of changes taking place in the environment to which the Program has had a direct or indirect influence. The Performance Framework draws on the recommendations of the WB report on best practice monitoring of PRSPs (which have similar design features) of undertaking data collection and analysis at three levels: the inputs level; the outputs to outcomes level; and the ultimate benefits level[30]. Annex 10 provides more information to the summary presented here.

62.   The Performance Assessment Framework has been designed to address three critical performance questions:

Key question 1: What was the extent and quality of what the program delivered?

Key question 2: What changes are taking place in the areas that program is intending to influence?

Key question 3: What is the significance and value of contribution that the program is making to the changes that are place?

Quality assurance, accountability and reporting

63.   Basic records will need to be maintained against the following areas:
  - Quality and immediate achievements of program activities (by the Managing Contractor)
  - Contractor performance (by the MRG and AusAID)
  - Scholarship provision (by the Contractor)
  - Financial expenditure (by the Contractor and AusAID)
  - Donor coordination and complementarity (by AusAID and PMG/PSM SWG)
  - Quality and performance of advisers working in GoET (by CDCU)
  - Flexibility and responsiveness (of the program) to changing needs (by the PMG)

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[30] Booth, D, and Lucas, H., "Good Practice in the Development of PRSP Indicators and Monitoring Systems", Working Paper 172, Overseas Development Institute, London, July 2002

Some of this reporting information will be included in the Simplified Monitoring Toolbox for AusAID corporate six-monthly reporting requirements.

Outcomes and Impacts – Primary Monitoring

64.   The program is expected to influence the following areas directly and indirectly. Responsibility for collecting evidence of changes in these areas – **primary monitoring** – is already a responsibility of a GoET agency, and there is often existing or planned donor support to assist them in this function, unless specifically identified as an activity under the Program. Specific indicators have been developed for each of these areas, or will be developed with assistance from the AusAID ODA.

Direct impact
- Institutional capacity of key counterpart institutions (CDCU, NDPS, INAP, SIP Coordination Unit of NDPEAC) (evidence collected by the AUSAID ODA utilising tools developed jointly with agencies for this purpose)
- Effectiveness of SIP processes (evidence collected by the SIU-NDPEAC, supported by a Program activity)
- Implementation of the Public Sector Management SIP (evidence collected by the PSM SWG with assistance and tools developed by the SIU-NDPEAC as an activity under the Program)
- Coordination and quality of capacity building support provided by GoET (evidence collected by the CDCU using tools developed for this purpose by Advisers and/or as an activity under the Program).

Indirect impact
- Services delivered by GoET line agencies (evidence collected by line Ministries using own performance reporting tools)
- Implementation of the National Development Plan (evidence collected by the GoET with donor support as one of the activities under the PSM SIP).

This clearly shows that the outcomes to which the Program contributes directly and indirectly are complemented by existing GoET initiatives and resources, and complements the work of other donors and AusAID projects.

Program specific M&E mechanisms – Secondary monitoring

65.   Program specific monitoring – **secondary monitoring** – will involve a verification of the findings provided from primary monitoring sources, and analysis of the findings and conclusions provided. This latter will lead to an assessment about the success of the Program overall, in terms of its contribution to outcomes and impact.

66.   The key elements for **secondary monitoring** include:

- *Program Management Group meetings*: These provide a regular review of program performance and direct monitoring of stakeholder relationships, priority needs, program achievements, and program relevance. The PMG will utilise the formal monitoring tools of the ASRP, implementation reporting, and the informal tools of relationship maintenance and feedback from counterparts and

stakeholders. PMG meetings will have their agenda structured to consider achievements, performance and relevance of the program's assistance; and minutes will be prepared to reflect the analysis undertaken routinely. This also provides a basis for AusAID own contractor performance and outcome monitoring on a routine basis.

- *Monitoring and Review Group missions*: The MRG will be responsible for the substantive analysis of impact, program effectiveness, and contractor performance. The methods and tools to be used should include broad analysis of contextual information, published literature and other donor documentation, GoET performance information (as indicated in primary monitoring framework), and stakeholder consultation. The methodology for MRG missions will be developed for PMG consideration by the nominated MRG team leader. AusAID will develop additional TOR for a mid-term review and independent completion report.

67.   In addition to these two program specific mechanisms, the program may also use of the following mechanisms, at the direction of the PMG:

- *Specifically commissioned research* into areas critical for capacity building effectiveness or public sector management improvement, which may be of benefit to GoET agencies, AusAID and other donors, as well as for program monitoring

- *Participation in or support to other donor evaluations and reviews* particularly for related projects and programs which complement the work of the program.

68.   The Performance Assessment Framework is to be further developed and completed as part of the inception phase of the program, and is the responsibility of the Managing Contractor.   Further development of the PAF will involve the following steps: clarification of roles and responsibilities for primary data collection, analysis and reporting against the identified areas: identification of specific indicators against each of these areas and development of tools for information collection and analysis. The M&E Adviser on the Managing Contractor team will be responsible with the Institutional Development Adviser (IDA) for these steps. In addition, the MRG will need to develop further the methodology for the 'contribution analysis'[31] to be undertaken on six monthly visits for AusAID consideration.

Resourcing of the PAF

69.   The PAF represents a complex approach to the analysis of a broad range of information, and this program cannot be entirely responsible for ensuring that line and central agencies and coordinating structures have all the necessary systems and capacity in place to provide the information required for 'primary monitoring' as outlined in the PAF.   It is anticipated that a number of CDP activities will include the provision of resources and TA for monitoring systems of these institutions as part of the capacity development priorities of those agencies. In other cases, the Managing Contractor may utilise the key personnel to provide support to counterpart agencies in

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[31] Refer to John Mayne, "Assessing attribution through Contribution Analysis", National Audit Office of Canada, 1999.

the development of primary monitoring systems and processes. In some cases the PAF will identify that support for M&E systems is being provided by other donors or other AusAID projects, and the PAF may identify continued gaps and weaknesses in availability of information for primary monitoring. A significant element of the further development of the PAF will be to undertake this assessment of gaps in existing GoET systems, and to develop plans for capacity support under the program in line with GoET priorities and PAF primary monitoring needs, to an appropriate extent. The PAF emphasises the analysis use of available information by the MRG and PMG, rather than the resourcing of all M&E requirements for primary monitoring, but a core set of information will be required for the approach to be meaningful.

I. Risks, feasibility and sustainability issues

Risk analysis and management strategies

70. The key risks, which reflect assumptions of the design, together with strategies to address them, are as follows.

i. ***Commitment of GoET and other donors to SIP process:*** The GoET and other donors have demonstrated a strong commitment to working collaboratively through the SIP processes. GoET commitment to the SIP process was confirmed during the in-country consultations. It is appropriate that this program supports and works through this process, and a key focus is to strengthen and support the SIPs and Sector Working Groups. Risks concerning the quality of planning under the SIPs and effectiveness of their management would affect program effectiveness. The clarity of the terms of reference for the Sector Working Groups, adequate leadership and effectiveness of meetings are important, as well as the quality of monitoring and review processes. The CDP will address these issues.

ii. ***CDCU role and mandate:*** The CDCU has not always been recognised and accepted by ministries and donors as the critical coordinating unit for capacity building. However, there is a strong mandate now being developed for CDCU and there appears to be opportunity for greater coordination amongst donors through this institution. There remains the risk that donors deal directly with line ministries on capacity building and adviser placement issues. The program can advocate and support CDCUs role through PSM SWG, PMG, and directly as needed.

iii. ***Differing capacity of institutions to participate effectively and role clarity:*** The program's intention to work with all four capacity building institutions is a risk, in terms of their absorptive and management capacity to participate effectively. The program will need to progressively engage on initiatives which are feasible and sustainable. The risk of lack of clarity over roles and responsibilities is well recognised by the four institutions, and there was almost unanimous agreement that this was a high priority issue to be addressed in the first year of the program[32].

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32 It is possible that the issue will be resolved before the program starts, if either the UN appointed Capacity Development Adviser or the AusAID funded Organisation Development Adviser (or both) actively address it**.**

iv.   ***Integration and complementarity with other donors:*** The program is designed to support and complement other initiatives of the GoET and other donors. There is a risk that the approaches of other donors working with CDCU may not be consistent with CDCU policy or the program. AusAID and the Managing Contractor will need to monitor the approaches of other donors to ensure complementarity, and make adjustments accordingly.

v.   ***Effectiveness of advisers in capacity building:*** The provision of advisers as a key strategy for capacity building relies considerably on the individual people selected and their personal attributes and approach to their work. Much of the informal style and relationships and trust that is critical for success cannot be specified in terms of reference or assessed easily in recruitment processes. Their effectiveness also relies on the acceptance and commitment from individual counterparts. Language barriers are a further risk which impedes the development of trust and quality capacity building. The program has incorporated several facets which address these issues, including making use of the 'ideal adviser' model as a basis for recruitment and supervision of performance, and broadening the focus to institutional rather than just individual capacity building. The Training & Capacity Building Adviser will work with advisers appointed under the program to strengthen their own capacity building and coaching skills, and will be available to assist advisers coordinated by CDCU and recruited by UNDP and UNOTIL. A requirement for advisers to undertake local language training if deployed for over six months has been included in the design. Consideration could be given to a specific research study on factors enhancing adviser effectiveness and capacity building in Timor-Leste as part of the monitoring framework.

vi.   ***Clarity of roles and responsibilities between AusAID and Managing Contractor:*** Program effectiveness will be affected by lack of clarity of roles, or poor relationships between AusAID and the Managing Contractor. It is important that the Managing Contractor manages pro-actively, contributing to the strategic and policy direction of the Program as well as being responsible for day to day operations, and maintains positive relationships with the GoET, particularly the PMG and SWG members. Likewise, AusAID will need to manage the Program pro-actively and focus on outcomes and strategy, rather than micro-management of the Contractor or the program's activities. Inception workshops between GoET, Managing Contractor and AusAID on their roles and responsibilities and the functions of the PMG, and agreement on the details of the Program Operations Handbook would be useful. Continuous monitoring of the capacities and performance of all parties is an important risk management strategy.

vii.   ***Approval processes and detailed planning:*** There are risks of poor selection of activities, poor design and management of those activities, poor selection of advisers or sub-contractors, and poor monitoring and oversight of them. The development of the Program Operations Handbook will establish basic minimum standards and key processes. Key features will be ensuring simple one-step approval process by PMG with clear agreed selection criteria; adequate pro-formas for activity planning and budgeting; high quality recruitment and selection processes; adequate supervision and monitoring of implementation.   Establishing a clear boundary for the PMG of 'strategic' direction and management, but clear

expectations for the Contractor to plan and implement the selected activity will be important. Risks include poor identification and consideration by the PMG of inappropriate activities; increasing involvement in identification and design of activities by the PMG members (including AusAID); and pressures for less significant and ad hoc activities. Clear expectations and role clarity among the PMG members at the outset, and ongoing monitoring of relationships and performance of all parties, are appropriate risk management strategies.

71.   Other risks related to program implementation include:

- Co-location of program office with CDCU may not be successful, and may impede role clarity and strengthening of CDCU role rather than support it;
- There may be limited resources at CDCU to continue its mandate, particularly once UNOTIL leaves in May 2006.
- INAP needs considerable strengthening in its infrastructure, equipment, organisation and skills of staff if it is to take a major role in training provision, including leadership and management training. It is not yet known if donors will make the necessary investment.

The PMG will need to make the necessary adjustments to program activities and strategy if these risks appear likely to affect program success.

Feasibility

72.   Despite the risks associated with implementation and effectiveness, the program is regarded as feasible for the following reasons:

- The CDCU is a well-placed agency, being part of the Office of the Prime Minister. Recent confirmation of its mandate, and key leadership and staffing decisions represent a high degree of commitment from GoET. A UN funded adviser has been appointed who is highly regarded and brings a degree of expertise which will strengthen CDCU significantly. The co-location of CDCU with UNDP, UNOTIL and the CDP should ensure complementarity of approaches and access to necessary support.
- The current CBF is already working on developing ministerial capacity development action plans (MCDAPs) which are key to the coordination of needs and development of implementation plans to build individual and institutional capacity across ministries.
- CBF also has good links with INAP and the SIP Coordination Unit of NDPEAC, through their membership of CBF management bodies and through providing advisers to work with them.
- AusAID, through CBF, is already starting to work with NDPS, the key organisaiton for HR management and capacity building.
- CBF has also started building relationships amongst the four participating agencies which will be the Government's representatives on the PSM Working Group, indicating potential for effectiveness of the PSM SWG and potential for the program to work with them as a group.
- The PSM is a reasonable planning document and a sound basis to formulate a coordinated and complementary approach by donors.

- The proposed program complements and supports the existing plans and programs of other donors (UNDP, UNOTIL, WB and the AusAID MoPF project).
- The Facility Management Group for CBF has established an effective decision making and strategic planning forum between AusAID and the GoET and provides a sound model for the proposed program management arrangements.

73.   It is recognised that apart from utilising secondary sources, such as the study undertaken in 2001, the Capacity Development for Governance and Public Sector Management in East Timor, (the GPSM), which includes an analysis of gender equity issues, this design process has not included a separate consideration of gender issues, which may impact upon the feasibility and sustainability of the program. Gender issues which may be significant include:

    i.   The pairing of international technical assistance with local female counterparts, which may not be productive or effective depending on local cultural perceptions of women and their male partners to such working relationships; and likewise the acceptability and appropriateness of pairing female international TA with local male counterparts.

    ii.   The availability of women to attend training or other events away from home for family reasons;

    iii.   The acceptance of women in leadership roles, particularly in 'coordinating functions' which do not rely on position or status, but influence;

    iv.   The availability of women to progress into senior management due to numbers of women with secondary and tertiary qualifications and language skills.

Further consideration of these and other relevant issues is warranted. Further analysis and recommendations and strategies for addressing gender issues will be expected from the Contractor in the inception phase, as part of the program operations handbook.

Sustainability

74.   Developing public sector management capacity and performance in Timor-Leste requires a long term commitment. AusAID anticipates working in this sector for at least the next ten years. In the context of a very low base of public sector management capacity (both individual skills and institutional systems); a very low base of existing service delivery across the major sectors (health, education, agriculture), a low national tax and income base, and challenging prospects for reducing donor dependence, the issues of sustainability in Timor-Leste are considerable.

75.   The 2004 AusAID Study on Sustainability identified a range of recommendations for improving sustainability. These included broadening the definitions and approach, to include a focus on analysis, processes, and outcomes. In this program, prospects for sustainability are entirely consistent with the recommendations of the Study for strengthening 'processes' of:

- Fostering local ownership (by working through local planning systems and decision making bodies)

- Building capacity (as the primary focus of the program)
- Strengthening institutions (increasing emphasis on systems and processes of key participating agencies, rather than diffuse and ad hoc initiatives)
- Consultation and inclusion of all stakeholders (though formation of the PMG and reliance on the PSM SWG)
- Regular review of targets and timelines (through the monitoring processes established).

The program fits within the broader sustainability strategies of the East Timor Country Program of AusAID, particularly contributing to improving governance as a pre-condition for economic development as well as effective public services.

Government of East Timor

Public Sector Capacity Development Program

Design Framework

Annexes

November 2005

Capacity Development Program Annexes

Contents

Annex 1: Outputs from CDP design workshop August 2005

Participants and group membership (alphabetical order)

Group 1: David Hook (AusAID), Kitty Kahn (CBF/INAP), Keith Morgan (CBF/MCDAP), Florindo Pereira (INAP), Liborio Pereira (NDPS), Bill Pitkin (CBF/Operational planning), Macario Sanches (MoPF)

Group 2: Jose Abilio (NDPEAC), Augusto Barreto (CDCU), Carmen Branco (AusAID), Lenita Florindo (CBF/SIP), Jeremy Stringer (AusAID), Oliver Wittershagen (UNDP)

1   Criteria for deciding priorities for funding

Possible criteria	Group 1	Group 2
Has commitment from senior levels of government	A	A++
Is in line with the agreed CDP directions and priorities / is consistent with SIPs	A	A
Is clearly related to public sector capacity building at an individual and institutional level	A	A
Strengthens key government processes	A	A
Does not duplicate work of other donors	A	A
Supports AusAID's country strategy	A	A-
Provides measurable benefits	B	A
Provides value for money	B	A
Is affordable (eg no significant increase in recurrent costs)	B	A
Is sustainable	B	A
Strengthening cross-ministry processes / competencies.	B	B / C
Makes use of local consultants and organisations	B	B / C
Builds on previous work and helps to increase likelihood of sustainability	C	B
Complements work of other donors / ongoing work in ministries	B	C
Supports existing AusAID activities	D	C+

A   Essential or very important. If it doesn't meet this criterion it should not be funded

B   Highly desirable. Proposals that do not meet this criterion are less likely to be funded

C   Useful. Proposals that meet this criterion might be chosen in the event of a 'tie' between two proposals that meet all the essential and highly desirable criteria

D   Not necessary

2   Potential activities from PSM SIP project sheets

A   High priority to be done in the first year
B   Should be done in the first year
C   Important but can wait until after the first year

Group 1 results show the total votes of each group member, asked to nominate their top 3 activities (A) to be undertaken in the first year, and their bottom 3 that could be delayed until after the first year (C). Group 2 results show the consensus rating of the group, so they are all given 6 'votes'.

Project Information Sheet	Responsibility, cost (US$), timing	Group 1	Group 2
High priority projects – to be started in the first year			
1. Human resource management in the civil service (p3) *Code of conduct, HRM policy & procedures manual; training in Civil Service Act*	MoSA – NDPS & INAP $525,000 3 years from 1/7/04	4 A	6 A
9. Strengthening INAP (p26) *To include purchase of training equipment and a training program for INAP staff*	MoSA (INAP) $200,000 3 years from 1/7/04	3 A	6 A
25. Support the SIP process (p71) *Support secretariats for each SWG; support annual revisions, publication, coordination team, training & implementation*	MoPF (NDPEAC) $750,000 2 years, 1/7/05	3 A	6 A
10. Strengthening NDPS (p28) *Includes equipment for issuing security passes and office equipment, as well as training for NDPS staff*	MoSA (NDPS) $350,000 1 year from 1/7/05	3 A 1 C	6 A
8. Leadership and Management Training Program (p23) *Will include curriculum development, delivery, training of local trainers plus equipment. Dependent on infrastructure (12 & 13)*	MoSA (INAP) $500,000 2 years from 1/7/05	1 A 1 C	6 A
6. Medium term human resources strategic plan (p17) *TA for information dissemination and translation, publication and information sessions*	CDCU / OPM $56,000 max 6 months from 1/7/06		6 A
11. Strengthen CDCU (p31) *A comprehensive program of staff training, information management system, 4 short- and long-term technical advisers, and equipment*	CDCU / OPM $1,650,000 4 years from 1/7/05		6 A
Moderately high priority projects, could be started in the first year if sufficient funds			
17. Implement performance management system (p48) *Design and implement performance management at the individual level and possibly at activity (unit) level*	MoSA (NDPS) $900,000 3 years from 1/7/06	3 C	6 A
18. Design and implement Personnel MIS (p51) *Further development of the personnel management information system*	MoSA (NDPS) $1.2 million Started 1/1/05	3 A 1 C	
7. Training for civil servants (p20) *Implementation of cross-ministry training priorities from CDCU TNA*	MoSA $5 million 4 years from 1/7/05	1 A 3 C	6 B
Lower priority projects – delay until after the first year			
21. Advisers database (p59) *Database to record and analyse performance of*	CDCU / OPM $15,000	3 C	6 B

Project Information Sheet	Responsibility, cost (US$), timing	Group 1	Group 2
advisers in critical and necessary development posts	Short-term. Start 1/1/05		
2. Changing attitudes to customer focus program (p6) *Staff survey, recommendations to change attitudes towards a proper customer service focus*	MoSA $50,000 less than 1 year from 1/7/06	4 C 1 A	6 C
12 & 13. Development of Campus Area (INAP) I and II (p35 and 37) *Infrastructure development*	MoSA (INAP) $2 million 4 years from 1/7/06		6 C
30. Necessary development posts III (p86) *Continuation of UNDP-funded 'critical' posts, with increased focus on capacity building and skills transfer by advisers*	CDCU / OPM $11 million 2 years from 1/1/05		6 C
31. Critical Posts IV (p89) *The 45 approved positions to be funded by UNOTIL (successor to UNMISET) to May 2006*	CDCU / OPM $7 million – to be updated 1 year from May 2005		6 C

3 Potential activities for first year

This list of potential activities was identified by stakeholders during consultation as well as by the design team from analysis of relevant documents.

Both groups felt that all or most of the activities needed to be undertaken, so were unable to identify any that should be delayed. Group 1 provided individual votes on their top 3 activities under each heading. Group 2 results show the consensus rating of the group, so they are all given 6 'votes'.

Possible activity	Group 1	Group 2
1 SIP processes		
Strengthen links between SIP, AAP, QRM, operational plan and budget documents	6 A	6 A
Strengthen linkages between SIP and Combined Sources Budget	3 A	6 A
Support institutionalisation of SIPs		6 A
Develop and implement training module on whole-of-life project design and planning (ie to include recurrent and replacement costs)		
Support development and implementation of monitoring & evaluation system		
Strengthen links between MCDAP and operational planning		
Set up process for regular review of SIPs, to ensure that key stakeholders are fully involved		
2 PSM Sector working group		
Clarify the roles and undertake teambuilding for the four GoET members of the PSM SWG (CDUC, NDPS, INAP, NDPEAC). More generally, help to strengthen coordination and cooperation between them	4 A	6 A
Support SWG in implementing work plan	1 A	
Help establish secretariat for the PSM SWG		
Continue work of organisation development adviser to support effective operations of the PSM SWG		
3 Strengthen CDCU		
Support integration of CDCU, UNDP, UNOTIL, CDP	1 A	6 A
Develop the organic law for CDCU	1 A	6 A
Clarify roles and responsibilities of the key institutions – CDCU, NDPS	5 A	

Possible activity	Group 1	Group 2
and INAP, as well as capacity building units within ministries – in relation to capacity building to ensure that there are no gaps or duplications		
Develop a policy and legal framework for training and capacity building – to make clear rules on, for example, selecting people for training and number of courses to be attended in any one year	2 A	
Support implementation of CDCU's work plan	1 A	
Establish standardised and simplified procedures for the co-located units		
Develop and implement structured training and coaching programs for advisers to improve their capacity building skills		
Develop a methodology for institutional capacity building and pilot it, using the MCDAP process as the basis		
4 Strengthen NDPS		
Continue to support NDPS in development and implementation of regulations relating to the Civil Service Act	3 A	6 A
Commission/undertake research on practices in other countries in relation to compulsory training and career progression		
5 Strengthen INAP		
Strengthen the capacity of INAP to become fully independent	2 A	6 A
Develop the leadership and management training program, based on the work currently being done at INAP	1 A	
Provide equipment to INAP to support leadership and management training		
Provide assistance with refurbishment of INAP to support leadership and management training		
6 Joint program management		
Develop and implement new operating procedures and management arrangements, based on the strengths of CBF	1 A	6 A
Agree criteria for assessing requests		6 A
Develop process for ministries to assess their progress in institutional capacity development (to be used as input to M&E framework for program)	2 A	
Hold discussions with GoET and other donors on providing funds through CDP, including GoET's Capacity Development Fund, and develop management and accountability arrangements for such funds	2 A	
Establish agreed M&E framework	1 A	
Plan annual review of CDP and processes for determining future year's program	1 A	
Develop and implement a strategy for gender mainstreaming in all activities undertaken by CDP		
Agree split of funds for priority areas and non-priority		

Annex 2: Roles and responsibilities of CDCU

Legal basis for CDCU

In November 2003, the Council of Ministers approved Resolution No. 4/2003 which clearly states the role of CDCU as follows:

" In absence of an organic law and in line with Article 137 of the Constitution of the República Democrática de East Timor regarding the roles and functions of the Public Administration, the Capacity Development Coordination Unit (CDCU) under the Office of the Prime Minister shall, hereafter, coordinate all capacity development initiatives for the Government of East Timor.

To promote better coordination, all capacity development issues should go through a centralised body.

As the centralized body, the CDCU will act as the focal unit within government for liaison with and Development Partners' contact for all capacity development initiatives for Government official's in-country and overseas.

It is the bridging unit between Government and Development Partners and will ensure that Government priorities are reflected in the programs/projects offered by Development Partners; it will also present sector specific capacity building programs/projects to Development Partners for funding.

The CDCU will coordinate, develop and implement the necessary regulations, procedures and mechanism concerning capacity development in consultation and coordination with relevant stakeholders.

The cooperation of all Ministries and Development Partners is sought to reinforce this resolution and to ensure better coordination in the future.

This resolution has been established to dispel any misunderstandings that may exist that other Departments and/or external agencies have the Government's authority to coordinate capacity development on behalf of the Government of East Timor. It will supersede any previous instructions and is effective from this date forward or until the organic law comes into effect."

Thus, this Resolution provides a legal basis for CDCU to act as the central body in the Government to coordinate and oversee or monitor and evaluate capacity development activities within the government and provide policy direction to the development partners.

Roles and responsibilities

1.   Coordination of in-country and overseas training, including role with CBF
2.   Managing the Capacity Development Fund for training in-country and overseas
3.   Coordination of advisers, including 45 'most critical', funded by UNOTIL to May 2006 and 118 'critical' funded at least to November 2005 by bilateral and multilateral donors. Currently need support for monitoring effectiveness; in future likely to need support to recruit advisers as UNOTIL winds down
4.   Implementation of Medium Term Capacity Development Strategy, as part of the PSM SIP – based on the training needs assessment to consolidate all capacity development initiatives

Annex 3: PSM SIP Project information sheets and CDP

The four broad policy objectives of the PSM SIP are:

1. Definition and dissemination of rights and obligations of citizens and public servants, particularly through implementing the Civil Service Act and through developing organic laws for specific ministries.

2. Improving quality and cost-effectiveness of service provision, including building the capacities of line ministries and local government, and looking for opportunities to introduce fees for service and to outsource to the private sector. This will also involve strengthening procurement and related processes.

3. Improving the capacities and performance of the civil service over the medium term.

4. Gender mainstreaming.

These have been translated into a program of 31 projects for the next 5 years, including projects that are already under way or planned. The following table shows the potential implications for the Capacity Development Program of the most relevant projects. Some 16 projects have direct relevance for general capacity building and represent areas that the CDP will be directly involved through funding, or will need to monitor or coordinate, or might need to assess for potential future support. The assessment of implications needs to be reviewed by the main stakeholders, particularly CDCU, NDPS, INAP, NDPEAC, AusAID, UNDP and UNOTIL. The Project Information Sheet to strengthen CDCU is also included.

Project Information Sheet	Responsibility, cost (US$) & timing	Implications for CDP
A. Rights & obligations of public servants		
1. Human resource management in the civil service (p3) *Code of conduct, HRM policy & procedures manual; training in Civil Service Act*	MoSA – NDPS & INAP $525,000 3 years from 1/7/04	In progress, funded by UNDP, with support from CBF for 2 advisers for NDPS. Likely to need extra help, so a priority for CDP
B. Strengthen service delivery		
2. Changing attitudes to customer focus program (p6) *Staff survey, recommendations to change attitudes towards a proper customer service focus*	MoSA $50,000 less than 1 year from 1/7/06	Potentially important, given priority of MoPF to improve customer service. Initial work only, likely to need follow-up
C. Improving public service management – improving work skills of public servants		
6. Medium term human resources strategic plan (p17) *TA for information dissemination and translation, publication and information sessions*	CDCU / OPM $56,000 max 6 months from 1/7/04 (*may have been delayed, pending approval of CoM*)	Presumably this is the CDCU's recently completed Medium Term Capacity Development Strategy. Once it has been approved it will be important to implement it, so this project is high priority for supporting CDCU. May have been done, but there may be a need for follow-up
7. Training for civil servants (p20) *Implementation of cross-ministry training priorities from CDCU TNA*	MoSA $5 million 4 years from 1/7/05	Correctly seen as the start of a long-term program. Not clear why MoSA takes prime responsibility – is it to be done through INAP? Needs to be considered for support by CDP, both as a direct way of building individual capacity and also in relation to CDCU's role in coordinating overseas training
8. Leadership and Management	MoSA (INAP)	LAMP is being supported by UNDP, as a

Project Information Sheet	Responsibility, cost (US$) & timing	Implications for CDP
Training Program (p23) *Will include curriculum development, delivery, training of local trainers plus equipment. Dependent on infrastructure development at INAP – see below*	$500,000 2 years from 1/7/05	pilot. Potentially an important program for capacity building in the civil service, including financial management for line ministries, so important for CDP to monitor and possibly assist if pilot is successful (depending on other donors). Material already produced for management training under CAPET could be used
9. Strengthening INAP (p26) *To include purchase of training equipment and a training program for INAP staff*	MoSA (INAP) $200,000 3 years from 1/7/04	This is unlikely to be sufficient to develop the capacity of INAP, especially as staff have already had numerous courses on train the trainer. A wider program of capacity development is likely to be needed, and should be a focus of CDP, building on the work supported by CBF
10. Strengthening NDPS (p28) *Includes equipment for issuing security passes and office equipment, as well as training for NDPS staff*	MoSA (NDPS) $350,000 1 year from 1/7/05	As with the previous project, this seems unlikely to be sufficient to develop the capacity of NDPS. CDP could investigate further capacity building needs, especially once the two advisers proposed under CBF have developed a base for further work
11. Strengthen CDCU (p31) *A comprehensive program of staff training, information management system, 4 short- and long-term technical advisers, and equipment*	CDCU / OPM $1,650,000 4 years from 1/7/05	CDP needs to work with this project. Some of the work and advisers are to be funded by UNOTIL and UNDP and CDP advisers need to work closely with them to ensure there is consistency and no duplication. The database proposals need to be checked with PMIS proposals (see below)
12 & 13. Development of Campus Area (INAP) I and II (p35 and 37) *Infrastructure development*	MoSA (INAP) $2 million 4 years from 1/7/06	This is an infrastructure project and thus unlikely to be of direct concern to CDP. However, its success will be important for developing INAP as a training provider for the Leadership & Management Program and for other cross-ministry training, so CDP needs to monitor progress
C. Improving public service management – staff performance, processes & information		
17. Implement performance management system (p48) *Design and implement performance management at the individual level and possibly at activity (unit) level (description is unclear and text is no clearer – heading is staff performance but talks about activity level monitoring)*	MoSA (NDPS) $900,000 3 years from 1/7/06	Performance management can be effective at the unit level (section, division or ministry) but needs to be carefully designed and implemented at an individual level to ensure it motivates staff rather than being a demotivator or just ignored. It is potentially a useful mechanism for capacity development so CDP needs to monitor progress to ensure it is developed in a way that is appropriate to East Timor
C. Improving public service management – management information systems		
18. Design and implement Personnel MIS (p51) *Further development of the personnel management information system*	MoSA (NDPS) $1.2 million Timescale not specified, started 1/1/05	UNDP has been funding this. Ideally, it should hold information on training that CDCU can access, rather than develop its own separate database (see above). This needs to be checked – the project sheets are unclear
21. Advisers database (p59) *Database to record and analyse performance of advisers in critical and necessary development posts*	CDCU / OPM $15,000 Timescale not specified but short-term. Start 1/1/05	UNOTIL is currently developing this as part of the program to improve the quality and effectiveness of advisers in critical and most critical posts. CDP may have a role in helping assess its usefulness and helping

Project Information Sheet	Responsibility, cost (US$) & timing	Implications for CDP
		CDCU staff to analyse and follow up on the results, including providing advice to line ministries where advisers work
C. Improving public service management – strengthen management of public finances		
25. Support the SIP process (p71) *Support secretariats for each SWG; support annual revisions, publication, coordination team, training & implementation*	MoPF (NDPEAC) $750,000 2 years, 1/7/05	Central to CDP and already being supported under CBF. Opportunity to extend support through setting up monitoring mechanism (as identified by CBF). Opportunity to use CDP for short-term consultancies to review & update individual SIPs
C. Improving public service management – use of expatriate advisory services		
30. Necessary development posts III (p86) *Continuation of UNDP-funded 'critical' posts, with increased focus on capacity building and skills transfer by advisers*	CDCU / OPM $11 million 2 years from 1/1/05	Central to CPD; opportunity to strengthen capacity building skills of new (and existing) advisers through improving recruitment processes and providing training & support through a TCBA
31. Critical Posts IV (p89) *Sheet needs to be updated – there are now 45 approved positions to be funded by UNOTIL (successor to UNMISET) to May 2006*	CDCU / OPM $7 million – to be updated 1 year from May 2005	Similar to the previous project. For CDCU / CDP purposes the two categories of external advisers should be treated in the same way, subject to the same recruitment and management processes. Critical role for CDP to play, along with UNOTIL and UNDP, to build capacity in CDCU to take over the recruitment and management of advisers as UNOTIL will end in May 2006

Project Information Sheet - Strengthen CDCU

Sector	PUBLIC SECTOR MANAGEMENT	
Project Name	Strengthen CDCU	
Country/Organisation	Unidentified	
Agency	Unidentified	
DAC	Civil Service Training	Code: 15041
Donor Project Code		

Project Objective

To equip the Capacity Development Coordination Unit (CDCU) with the necessary resources and skills to be able to function effectively as the unit responsible for the coordination of training within the civil service.

Project Description

Background:
The CDCU (1) acts as the Focal Point Unit within government for liaison with Development Partners in regards to all capacity development initiatives for government officials in-country and overseas; (2) acts as the bridging unit between the government and Development Partners to ensure that the government priorities are reflected in the programs/projects offered by the Development Partners; (3) presents sector specific capacity building programs/projects to Development Partners for funding; (4) in consultation and coordination with relevant stakeholders, develops and implements the necessary regulations, procedures and mechanisms concerning capacity development.

In order to achieve the mandated functions, extensive investment and support will be required to strengthen CDCU. The key components to this program are as follows:

I. Staff training – both formal and specialized

Unit requires specific training for its staff, providing the necessary negotiations/financial/ presentation/ language/ communications/ analytical and management skills. As the Unit still depends greatly on international consultants to prepare detailed reports - it is accepted that it will take some time to equip existing staff with the necessary report writing skills to undertake this task, until then technical consultants will be required to produce the necessary reports. Formal training courses must be made available to existing staff within CDCU to reduce its reliance on external advisers.

Language training in both Portuguese and English is critical. English to ensure effective liaison with the Development Partners and more importantly Portuguese to be able to meet daily work requirements – responding to correspondence and preparing the necessary reports for government.

II. Information Management Systems

An information management system must be developed to conduct analytical reports, particularly in overseeing the effectiveness of advisory and technical support. (this proposal is already incorporated in a separate Project Information Sheet). The electronic recording of all trainings offered and undertaken abroad is also critical - facilitating information flow within government on both historical and proposed trainings. At this moment cross checking the data with the national Directorate for Public Administration is virtually impossible as there is insufficient data, and also as most information is recorded manually. There is a clear need to identify and systematically record all trainings conducted in external institutions both in-country and overseas – it is hoped that this database would be able to produce the necessary reports when and if required.   This system would also enable CDCU to maintain data on critical institutions for capacity building.

III. Technical Advisers/Consultants

CDCU will increase its size in staff numbers to be able to function effectively. CDCU will need to strengthen its coordination role within government and with Development Partners, for that we will need the following TAs to be able to undertake this task;

*TA – to assist in the establishment of a coordination mechanism within government, consisting of the recruitment of additional national staff to support this process, development of an operating procedures manual to guide and support staff both within CDCU and across government, provision of training and on-the-job training (including cross Ministerial training).

*TA2 – to assist in the coordination and management of all technical assistance/advisory support for the whole of government in close consultation with donor partners. The TA will be required to establish the policy guidelines and procedures across government on the recruitment of advisers/consultants additionally develop a monitoring and evaluation system to monitor performance of technical support. The TA will also be required to work alongside the IT software design specialist in the development of an appropriate monitoring tool (details of the database is contained in a separate project information sheet). Additionally this TA would be required to produce periodic reports on the status and progress of TAs.

*TA3- There is an urgent need to have a technical adviser to assist in policy development and donor liaison. This TA would play a critical role in the establishment and coordination of a National Overseas Training Fund to complement the much expanded national training programs. This TA would need to work closely with the MSA and across all government Ministries in developing the necessary policies for CDCU. Given the language difficulties – it is essential that a suitable applicant be identified to undertake this task, preferably someone with the mandatory language skills – English and Portuguese.

*TA4 – Update of the Governments' Training Strategy. Short-term consultancy required to assist CDCU to periodically review and update the Training Strategy.

IV. Equipment

Provision of office equipment and materials to support the work of the National staff as well as the advisers. The equipment required is as follows – lap-tops, additional computers, photocopier, fax machine, projector (for workshop presentations), desks, chairs, filling cabinets etc.

Project Benefits

Improved Coordination of Technical Assistance

| Improved service delivery |
| Role of CDCU Strengthened |

Project Component

Project Component	DAC Code	Allocation		Implementing Agency
		National Currency	US$	
Staff Training			550,000	CDCU
Information Systems			100,000	
Technical Advisers / Consultants			1,000,000	
Total			1,650,000	

Funding Details

Disbursement

Financial Year (dd/mm/yy)	Original Budget ($)
1/7/05	450,000
1/7/06	450,000
1/7/07	400,000
1/7/08	350,000

Source: Extract from Public Sector Management Sector Investment Program –
Project Information Sheets, April 2005, pp31-33

Annex 4: Links between CDP and ICDSP

The following table is based on the UNDP's Institutional Capacity Development Support Project (ICDSP), Programme Package Document, March 2005. Progress on ICDSP will need to be checked and updated. The table can provide the basis for discussions between CDP, ICDSP, UNOTIL and CDCU on roles and responsibilities, and opportunities and threats in working together.

Institutional Capacity Development Support Project (ICDSP)	Proposed Capacity Development Program (CDP)
Project Results & Resources Framework: Capacity development activities (pp. 17-19)	
1.1 CDCU capacity development strengthened, in particular in MCDAPs, preparation of medium term support program for capacity development. Will have one adviser to the Director plus 2 national staff	Will need to liaise closely with CDCU Director and Adviser to agree areas of support to be provided under CDP, and also to ensure that absorptive capacity of Director and CDCU staff is taken into account
1.2 Qualified advisers recruited for the 118 critical posts	Opportunity to pool ideas and experiences from CBF recruitment of advisers; ensure 'ideal adviser' model is incorporated. CDP's Training & Capacity Building Adviser could provide initial training and ongoing support to new (and existing) advisers
1.3 Monitoring & evaluation mechanism of advisers established & operational *Note: this links to PSM SIP project 11 (strengthening CDCU) and 21 (advisers Database).*	Opportunity to pool ideas and experiences from CBF and MPFCBP management of advisers. CDP may have a role in helping assess its effectiveness and helping CDCU staff to analyse and follow up on the results, including providing advice to line ministries where advisers work – this needs further discussion and collaboration
1.4 Complementary training provided to a number of key national counterparts	No specific activities to be included, unless a request comes under CBF in which case co-location will be useful for coordination
1.5 Follow-on institution based projects formulated, in areas not covered by other development partners	Opportunity for CDP to pass over potential project requests to UNDP
1.6 Complete national translators and interpreters pilot in Justice sector	n/a
Project Results & Resources Framework: Project management (p.19)	
2.1 Establish steering committee to meet quarterly. Members to include • CDCU • Other state institutions (Office of the President, National Parliament, the Courts) • UNDP • Multilateral donors • Key bilateral donors	Consider whether this steering committee could also be responsible for high level oversight of CDP, to replace the current Facility Coordinating Committee (FCC), or whether there is scope for combining the two.
2.2 Reorganisation of Project Management Unit (PMU), to include project manager, 2 project officers and 3 support staff	Co-location will help coordination between the PMU and CDP staff. There may be opportunities to combine resources and thus reduce the overall number
2.3 Resources mobilised to place 118 advisers for a minimum of 12 months (of which at least 50% are expected to be filled). Liaise with donors for financial and in-kind contributions	Not directly applicable, although some short-term advisers might be funded under CDP (as is currently happening with 2 UNDP positions in NDPS)
Objectives (p.6)	
The development of Timorese capacity, especially by support for the CDCU, for facilitating the processes necessary to achieving a coordinated, strategic, and systemic design and implementation of the national capacity development programme	Potential for overlap with CDP, hence need to liaise closely with CDCU Director and Adviser
The development of sustainable capacity for the	Presumably this is to be done through the critical

Institutional Capacity Development Support Project (ICDSP)	Proposed Capacity Development Program (CDP)
performance by institutions and individuals of identified key functions including governance functions involving center-local relationships	adviser positions. CDP can support this using the TCBA and/or Institutional Development Adviser to train and support the advisers
The institutionalization of systems for decision-making, action, and accountability in pursuit of national/MDG objectives	Not clear from rest of document how this is to be achieved, other than through the critical adviser positions (in which case the previous comments apply). CDP will be directly addressing this through strengthening the SIP process
Lessons learnt (p.6)	
An evolution from individual to institutional capacity development.	Also a theme of CDP, to be supported by an Institutional Development Adviser
Increased ownership by the state institutions and the strengthening of coordination through increasing CDCU's capacity and resources	Agreed, hence CDP's focus on strengthening all four agencies responsible for capacity building
Enhanced coordination of the advisors under the project umbrella with other related projects at UNDP, with UNMISET advisors (CSG) and with other bilateral development partners	An important principle of CDP, and co-location provides the opportunity to put this into practice and at the same time model the behaviour for government agencies
Demand-driven national counterpart training both in and out of country. In addition to on-the-job training provided by advisors	Agreement to the principle. Strengthening the four key agencies will help implement this, for example through implementing the Medium Term Capacity Development Strategy.
Sufficient provision in the budget for basic infrastructure requirements to enable the advisors to efficiently carry out their duties—a particular concern with regard to work in the Districts	Consider expanding use of CDP funds to also provide basic infrastructure to support other activities, subject to approval by the Program Management Group
The establishment of a project advisory committee representing all major stakeholders to provide coherence, accountability and support to external assistance	If this is established it may be useful to expand their remit to include CDP
Activities as described in document (pp.6-7)	
1. Place at least 50% international personnel in key positions working in process consultation mode leaving responsibility increasingly and to the greatest extent possible, with local personnel.	Covered above under activity 1.2 and first lesson learnt
2. Additionally, act as a temporary bridging mechanism for a small number of the Most Critical positions (funded by UNMISET) after May 2005 until the medium term sector–specific and cross sectoral programmes are launched.	n/a
3. Provide "gap filling" for posts or functions requiring highly technical, legal, or political skills not currently held by Timorese, with explicit plans and criteria for their future replacement by well-trained nationals	Opportunity to share experiences and resources from CDP
4. Transition from primarily advisor to primarily process consultation mode to institution and function-based capacity development assistance	As above, CDP can support this using the TCBA and/or Institutional Development Adviser to train and support the advisers
5. Support, train, coach, Timorese staff to increasingly take responsibility for their various roles.	Key principle for CDP, hence intention to have a full-time training & capacity building adviser
6. Review administrative, financial, and accountability systems providing clear definitions of who should do what in processes for decision-making and implementation. These will focus on the capacity of both individuals and institutions to play their roles, including their roles in interagency policy management	Part of institutional capacity building and thus will be supported by CDP as appropriate

Institutional Capacity Development Support Project (ICDSP)	Proposed Capacity Development Program (CDP)
7. Consolidate the legal and regulatory frameworks necessary for this and produce operations manuals.	Also part of institutional capacity building and thus will be supported by CDP as appropriate
8. Provide in-country and/or overseas training where necessary to complement on-the-job training.	Covered above under activity 1.4
Other aspects from the document	
Closer cooperation with UNMISET, other UNDP projects and other bilateral initiatives (pp.7-9) *Note that it is now planned that UNOTIL (the successor to UNMISET) will be co-located with CDCU and thus with ICDSP and CDP*	This is to be welcomed, both because it is a sensible approach and also because it can provide a model for cooperation (including compromise and conflict resolution) that can be used for Timorese agencies. However, it is of concern that in this document there is no mention of CBF or MPFCBP, although there is mention of the financial management capacity development initiative led by the World Bank (p.9)
Diverse and flexible funding modalities (p.9)	There should be opportunities to share ideas and experiences between ICDSP and CDP
Creation of complementary training fund to finance external training (p.9)	CDP / AusAID might wish to contribute to this fund. In future, Australian scholarships might become part of CDP or AusAID could contribute the equivalent funding to this fund so that, in effect, it handles some or all Australian scholarships
International consultants will be recruited by the project (subject to funding availability) on a short-term basis to work with CDCU in conducting organizational and functional analyses of critical sectors and cross-sectoral areas in order to formulate sector-specific (for example, agriculture) and/or cross-sector (for example, financial administration) projects guided by the SIPs. (p.12)	This can complement the work of CDP which might be able to provide funding for the short-term studies and or could incorporate funding for any follow-up work into future work plans of CDP, given the intention of designing annual programs of work within the overarching framework

Annex 5: The ideal adviser

Technical skills and ability (skills & knowledge)	
The ideal adviser **should**: • Have the capacity to assist and support the development of useful procedures within the unit	The ideal adviser **should not**: • Be technically incompetent or lack the appropriate technical skills, credentials, and expertise for the job • Lack specific professional experience in the area they are 'advising' on
Methodology (systems & processes)	
The ideal adviser **should**: • Use a cooperative approach when working with Timorese counterparts and staff • Try to transfer knowledge to staff • Adapt appropriately to the working environment, including finding solutions to any language barriers that exist • Have and follow and well-defined workplan that supports the work program of the unit/agency and counterpart staff • Maintain good relationships with all members of the team • Be flexible and responsive to the needs of the job and the situation • Share information	The ideal adviser **should not**: • Intervene when it is not necessary for work objectives to be achieved • Favour an individualistic approach over a cooperative approach • Not follow or complete their own workplan • Participate in official meetings or represent the department/ agency / ministry without previous approval from a senior Timorese manager • Make decisions without consultation with counterparts
Personal attributes (attitudes & behaviour)	
The ideal adviser **should**: • Be transparent and foster a sense of trust • Be honest and open • Be disciplined • Adapt appropriately to the working environment and the Timorese culture • Be committed to supporting national staff to achieve outcomes/ objectives of department and ministry	The ideal adviser **should not**: • Be undisciplined or lazy or late • Put private interests ahead of national interests • Be egotistical • Have a colonial or patronizing attitude • Present an attitude that demonstrates a lack of trust • Behave in an authoritarian manner.

Annex 6: Terms of reference for AusAID Organisation Development Adviser, CDP

Reports to:	CDCU Director / CDP Management Group
Primary counterpart:	CDCU Director
Other counterpart staff:	All staff of CDCU; heads of NDPS, INAP, NDPEAC
Other key stakeholders:	CDP Management Group (membership to be confirmed by AusAID); staff co-located with CDCU - UNOTIL, UNDP, CBF; Capacity Development Adviser in CDCU (UNDP position); staff of NDPS, INAP, NDPEAC; advisers working in the four key agencies, advisers working in other agencies employed under UNOTIL, UNDP, CBF; AusAID and other development partners
Duration:	3 – 6 months
Location:	CDCU, Dili
Languages:	Proficiency in English essential. At least one of Portuguese, Bahasa Indonesia or Tetum highly desirable.

Background

The AusAID-funded Capacity Building Facility (CBF) is due to end in March 2006 and will be replaced by the 10-year Capacity Development Program (CDP) which will retain the flexibility and responsiveness of CBF but will also directly strengthen key GoET agencies and processes involved in developing the capacity of the public service. A framework for CDP sets the goal, purpose, scope and domains of change (outcomes and impacts), within which outputs and implementation plans will be developed each year. The CDP will be co-located with CDCU, alongside a UNDP-funded capacity development adviser, staff working for UNOTIL (to May 2006) and UNDP staff working on the Institutional Capacity Development Support Project (ICDSP).

Overall purpose of the position: The organisation development adviser will undertake preparatory work for the Capacity Development Program, in particular to develop the work program for the first 6-12 months of CDP. The adviser will also assist with establishing the working arrangements for the enlarged CDCU following co-location with UNOTIL, ICDSP and CBF.

Roles and responsibilities

Planning for the Capacity Development Program

1. Working with key stakeholders, check assumptions and logic of draft program structure (goal, purpose, scope and domains of change) and make recommendations to the Program Management Group for adjustments and changes as necessary, to better meet the needs of CDCU and the other key agencies (NDPS and INAP) in relation to capacity development.

2. Facilitate meetings and workshops of key stakeholders to (a) consider and decide on management options for the CDP, (b) further develop the monitoring and evaluation framework, (c) develop a risk matrix, and (d) any other documents that will support implementation of the CDP. Finalise the documents for approval by the Program Management Group

3. Develop, for approval by the Program Management Group, a detailed work plan for the first 6 months of the CDP, and an outline work plan for the next 6 months to meet the (revised) program objectives, based on the overall work plan of CDCU and the other key agencies, the PSM SIP implementation plan (see below) and taking into account the work plans of the other development partners (in particular UNOTIL and UNDP).

4. Develop resourcing proposals for the first 12 months to meet the work plan, for approval by the Program Management Group, within the total program budget of A$4 million pa.

Support to CDCU

5. Working with the CDCU Director and the Capacity Development Adviser, develop and document a process for the stakeholders in the co-located arrangements to clarify and understand their own and each others' roles and for determining working arrangements, including reporting relationships, communication and conflict resolution. Assist in implementing the process and monitoring the results

6. Provide advice and guidance on developing good quality and cost-effective processes and practices relating to CDCU's current and future work, including responsibility for recruitment, management and monitoring of advisers. Facilitate discussions between the different programs to identify best practice to ensure that future advisers are more effective in institutional and individual capacity building

7. Assist CDCU to develop an overall work plan for the next 12 months, based on the PSM SIP implementation plan (see below), the Medium Term Capacity Development Strategy, the UNDP/ICDSP and UNOTIL work programs, current work supported by CBF and other planning documents

8. Jointly with the Capacity Building Adviser, provide advice and assistance, as required, to CDCU Director on capacity development within CDCU or within the public sector more generally, with a particular emphasis on institutional capacity development.

Support to SIP implementation

9. Building on work already undertaken, assist with establishing the PSM Sector Working Group (CDCU, NDPS, INAP, NDPEAC plus development partners) and secretariat, including helping the members to agree principles and objectives, clarify and understand their own and each others' roles and agree operating procedures, including meetings protocols, communication, coordination and conflict resolution.

10. Assist the PSM Sector Working Group to develop a work plan for the next 12 months for implementing the PSM SIP, including monitoring and review arrangements.

Operational support

11. Provide any essential operational support to the CDCU Director, as requested and as agreed in advance. It is expected that this work would be minimal, taking no more than 5% of the position-holder's time.

Skills required

1. Comprehensive knowledge and skills in organisational development, team building approaches, cooperative working styles, and change management
2. Knowledge and skills in institutional and individual capacity building methodologies, including the three pillars model, and in human resource management and development
3. Experience in project and program design, including monitoring & evaluation frameworks and developing realistic work plans.
4. Knowledge and skills in consulting, facilitation, mentoring and coaching, including a range of approaches according to individual styles and motivations

Personal attributes

It is essential that the job-holder can establish effective working relationships with the full range of key stakeholders, including senior government officials and national staff, and program officers and staff of development agencies. This requires qualities of genuineness of approach and integrity, in order to build mutual respect and trust. The likely personal attributes of such a person include:

1. Demonstrable commitment to building capacity of national staff
2. Able to work according to agreed principles and model the desirable behaviours, including openness, cooperation, a focus on the wider goals, and able to handle conflict appropriately and constructively
3. Sensitive to and able to act appropriately in the Timorese culture
4. Flexible, responsive, disciplined and patient.

Annex 7 Analysis of Lessons Learned

Lessons learnt

There are numerous lists of lessons learnt from capacity building activities in general, from such activities in East Timor, and from the CBF. Perhaps the most important is from a recent ADB report, on the inherent tension between structure and flexibility:

> Most efforts at capacity development bump up against the tension between control and structure on the one hand and flexibility and experimentation on the other. Many participants are concerned about clear objectives, accountability, the achievement of agreed results, transparency and predictability and the meeting of contractual requirements. Yet the process of capacity development is inherently unpredictable and unprogrammable. It depends critically on constant learning and adaptation to be effective. Detailed planning fails virtually in all cases. Managing this tension becomes one of the main challenges involved in achieving effective results.[33]

The lessons incorporated into ICDSP, and the implications for CDP, are set out in Annex 4. Lessons identified by the initial capacity building planning mission in February-March 2005 is a useful summary, and these plus relevant lessons from the recent design mission for Phase 2 of MPFCBP (which incorporated lessons from the Pacific[34]), with their implications for CDP, are shown in the following table.

Lessons learned, resulting principles and their implications for the design of CDP

Capacity building lessons and principles	Implications for CDP
Ownership by government	
Ownership by local leaders provides legitimacy to donor activities, and high level management partnerships help build GoET capacity.	CDCU will be the main counterpart agency for CDP. CDP will continue to use the Facility Management Group structure of CBF as this is well regarded by GoET members as promoting ownership and participation. Also, ways of using CDCU systems will be actively considered and will be strengthened (and simplified) ready for transfer of project systems.
An appropriate GoET institutional counterpart is essential	
A parallel institution is better than none, but GoET systems should be strengthened and used where possible to ensure sustainability.	
Capacity building experiences and methods	
Keep the development of systems and processes simple – aim for 'good practice' rather than 'best practice'.	It may be appropriate to develop a set of agreed principles between the different stakeholders – the units co-located with CDCU plus key capacity building agencies – on capacity building and modes of operation
Use structured training methods that take into account the needs of the job and the staff, and recognise different learning styles and the pace of learning. Involve local or regional training providers where possible and practical.	
Counterpart relations	
Manage expectations of staff, senior government officials and donors by clearly defining and regularly updating advisers' roles in relation to capacity building and operational activities, recognising that the balance will change at different times of the year, as well as over time.	Write terms of reference for advisers that • Specify the likely split between in-line and capacity building work • Allow for regular review and agreement on the

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[33] ADB (2004) *Position Paper on Capacity Building*.

[34] AusAID September 2004: *Capacity Building in Public Finance: An evaluation of activities in the South Pacific*

Capacity building lessons and principles	Implications for CDP
Flexibility is required in counterpart arrangements, including having more than one individual counterpart.	split, by both the adviser and counterpart(s) • Specify the main and other counterparts in the terms of reference
Quality of advisers	
Interpersonal skills are critical at all levels, as good relationships and good communication form the cornerstone of effective capacity building.	Ensure that terms of reference include, in sections on skills required and personal attributes, strong reference to capacity building knowledge and skills, and appropriate personal attributes. The 'ideal adviser' should be used as a model (Annex 5). See also the draft terms of reference for the organisation development adviser (Annex 6)
Use advisers who have both technical and capacity building skills and who can model appropriate behaviour and attitudes. Also provide specialist support to the advisers in capacity building methods, including coaching and on and off-job training.	
Ongoing professional and personal support to advisers is required to ensure maximum impact of capacity building activities in a development environment.	Recruit a specialist training & capacity building adviser who can build the skills of the advisers and provide ongoing support and mentoring
Language issues	
Language skills contribute to the impact of capacity building activities. With the multiple languages used in East Timor, good translation services are necessary and valuable.	Wherever possible, recruit advisers who speak two (or more) of the working languages – Portuguese, English, Tetum and (for pragmatic reasons) Indonesian
The appropriate language for capacity building in East Timor will depend on the situation, and may depend on the political level at which it is targeted.	Provide sufficient translation and interpretation support, in all languages Co-location of four units should help to provide economies of scale with a pool of translators and interpreters
Coordination and cooperation	
Relationships between donor partners may impact the success of an activity if not handled correctly. Where donor activities overlap, an institutionalised relationship would ensure good day-to-day donor coordination through formalising roles and expectations.	Co-location should help improve donor coordination, so long as it is actively addressed. Other mechanisms for further assessment include: • A common steering committee for all three activities (CDP, ICDSP, UNOTIL) • Invitation for other donors to participate in CDP • Actively managing the network of advisers, to put people in touch with each other[35]
Donor partner coordination is required to prevent duplication of effort.	
Facilitating intra-GoET information sharing has significant impact on development of institutional capacity	Cooperative and collaborative working is both good practice and will also provide a model for government agencies, which often work as 'silos'
Program management and monitoring	
Efficient and effective management processes can take time to build in a developing environment, especially where local partnerships are involved. Strong AusAID direction adds value.	As part of the CDP's annual review, where it checks that the goal, purpose and objectives are still relevant and develops the work program for the coming year, the management structure should also be reviewed and amended as necessary.
Use appropriate monitoring and evaluation techniques for capacity building that provide useful information to advisers and staff – not just for 'upward' reporting.	The M&E framework should be developed jointly by the key stakeholders so that people commit to indicators and standards of performance that they understand and are comfortable with
Program design	
A long term approach to capacity building is a necessity.	The design is for 10 years, with quarterly reviews (ie after each 2 ½ years)

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[35] Counterpart staff should also be included in resultant meetings to minimise the impression that advisers are working in a parallel way to the staff. This was a concern highlighted by Timorese staff when they developed the 'ideal adviser' – see Annex 6.

Capacity building lessons and principles	Implications for CDP
Care needs to be taken to focus a program of capacity building to achieve maximum impact. An integrated approach providing strategically targeted support is required.	The strategy is to • Build the capacity of the agencies and mechanisms primarily responsible for capacity building • Support some of those capacity building activities • Have flexibility through designing the program of activities for one year at a time, and through continuing with a flexible support fund to meet unanticipated needs within the year's program
A facility with a cross-sectoral approach adds value to both AusAID understanding of the development environment and to the development of its overall capacity building program, through the relationships it builds and the information it sources across sectors.	

ANNEX 8 – DRAFT SCOPE OF SERVICES

ANNEX 8 – DRAFT SCOPE OF SERVICES

DRAFT SCOPE OF SERVICES
East Timor Public Sector Capacity Development Program

1 PROGRAM BACKGROUND

Introduction

1.1 Australia has provided support for capacity building in East Timor since 1999, largely in a diffuse and broad manner across public sector agencies in response to GoET requests. This next phase of assistance, the East Timor Public Sector Capacity Development Program (CDP) will be an increasingly focused and programmed facility with rolling design and workplan mechanisms.

1.2 This is in line with substantial developments in East Timor, particularly the formalised mandate of the *Capacity Development Coordination Unit* (CDCU) from the Office of the Prime Minister, with responsibilities to coordinate all donor activity in capacity building across the public service, and the adoption of *Sector Investment Programs* (SIPs) across key development sectors to harmonise donor and government planning and resource allocation, particularly the Public Sector Management SIP.

1.3 Three other institutions have a role to play in the implementation of the program due to their role as members of the Sector Working Group – the body responsible for strategic oversight – for the Public Sector Management SIP (PSM-SWG): the *National Directorate of Public Service (NDPS)* is part of the Ministry of State Administration and is responsible for developing and implementing civil service policies and programs as well as for developing regulations under the Civil Service Act: the *National Institute of Public Administration (INAP)* is intended to be the prime provider of generic training for government staff: and the *SIP Coordination Unit of the National Directorate for Planning and External Assistance (SCU-NDPEAC)* is responsible for preparation and dissemination of the SIPs and for institutionalising them within GoET planning processes.

1.4 The program will have multiple direct and indirect benefits, and recognises that capacity building is not a stand-alone activity but contributes to the enabling environment of other AusAID projects and other donor assistance. Thus strong performance assessment and review systems are inherent in the approach of the program and the role of the Managing Contractor.

Rationale

1.5 Extensive analysis and stakeholder consultation resulted in clear needs and a preferred approach to implementation of a public sector capacity development program. The rationale for the program of assistance, incorporating lessons learned, is based upon the following key principles and strategies:

   (a) *Importance of working within Government systems and policies*, thus tying assistance to the SIP processes and mandates of key institutions;

   (b) Recognition that capacity building – in line with the Three Pillars model adopted by the GoET – is needed at an individual, institutional and enabling environment level to be most effective; thus supporting initiatives which address multiple levels rather than focus on one;

(c)   Sustainable capacity building derives from *strong local ownership* and involvement in policy setting and decision making; thus utilising the PSM SWG as a critical decision making body for assistance, and involving Partner Government officials in all key decision making steps (through the Program Management Group)

(d)   Developing a greater focus on key institutions and programs, yet *maintaining flexibility* to adapt to a dynamic context; by incorporating mechanisms for rolling planning within defined parameters.

(e)   *Capacity building is not an end in itself* or a stand-alone project, but a means for improving performance of institutions and services and capacity building directly complements other assistance provided by other AusAID projects and other donors; thus the monitoring and evaluation framework for the program includes sophisticated processes of analysis of a multiple range of direct and indirect benefits.

1.6   In developing the Design Framework the design team considered two critical features of the underlying concept behind the proposed assistance and concluded that the Logframe approach to design was inappropriate: (i) that each individual activity implemented under the program may have one primary result but, as is usually the case with capacity building activities, will often have multiple effects; and (ii) that the proposed assistance will complement, coordinate and support GoET and other donor inputs and activities in implementing their own SIP processes, capacity building plans, and service delivery, rather than act as a stand-alone project with one simple clear result. In this way CDP contributes towards a wide range of outcomes and impacts, rather than causing them. This leads to adopting a contribution analysis approach, or an indirect rather than direct causal approach, for design and monitoring.

1.7   It should be noted that the UNDP has embarked on the design of a new program of assistance in this sector, "Developing Capacity for Public Sector Management", which represents a ten year multi-donor program. UNDP and AusAID agree a harmonized approach to capacity development, working within GoET management systems and structures, and sharing monitoring and evaluation functions as well as potentially other policy and strategic management functions, is desirable. AusAID may therefore vary the program management structures and role of the Managing Contractor to accommodate greater harmonisation amongst donors over time. AusAID may also consider co-financing of the UNDP initiative to promote overall Program effectiveness.

2   PROGRAM DESCRIPTION

Goal and Mission

2.1   The goal of the Program is:

A sustainable and effective system of governance and public administration for the delivery of high quality public services.

2.2   The mission of the Program is:

To strengthen capacity building institutions and processes to build individual and institutional public sector capacity in East Timor.

Scope

2.3   The scope of the program will include:

   (a)   Strengthening the capacity of the four public sector capacity building institutions: CDCU, NDPS, INAP and the SIP Coordination Unit of NDPEAC, both individually and as a group;

   (b)   Building the capacity of Sector Working Groups to implement and maintain SIP processes;

   (c)   Implementation of priority activities of the PSM SIP; and

   (d)   Smaller scale but important support for capacity building initiatives across other sectors, through mechanisms established by CDCU or the other capacity building institutions, including the capacity building units of other line ministries.

2.4   The scope provides the fundamental basis for prioritisation and direction of assistance. Proposed activities will need to fit within these parameters in order to be eligible for funding under the CDP.

Modes of Assistance

2.5   The program will embrace a broad range of modes of assistance in order to address individual, institutional and systematic capacity building approaches. These will include:

   (a)   Provision of individual **advisers** deployed into counterpart Agencies in non-line management functions (coaching, modelling, advising, supporting, training, mentoring);

   (b)   Provision of **technical assistance** to undertake specific tasks with and on behalf of counterpart Agencies (eg policy studies, policy advice, research), through subcontracts to local or international organisations or individual advisers;

   (c)   Provision of **tailored training programs** through local or international sub-contracts;

   (d)   Design and delivery of **projects** delivered jointly by counterparts and sub-contractors and/or advisers;

   (e)   Provision of **scholarships** to public sector agency nominees;

   (f)   Support of **third country** training and scholarships;

   (g)   Facilitation of placement and/or support of **volunteers** such as Youth Ambassadors and AVIs;

   (h)   Possibly, coordination and support to **Australian government officers** under the partnerships linkages program, including officers from the Northern Territory Government.

2.6   The program will not support infrastructure, capital works or recurrent budget expenditure, as these are unlikely to be financially sustainable and do not lead to capacity building.

3   **PROGRAM MANAGEMENT ARRANGEMENTS**

3.1   There are several critical management functions to be undertaken by different stakeholders, including the Contractor. The following diagram identifies the primary and secondary accountability of relationships, using existing Government of East Timor structures where feasible.
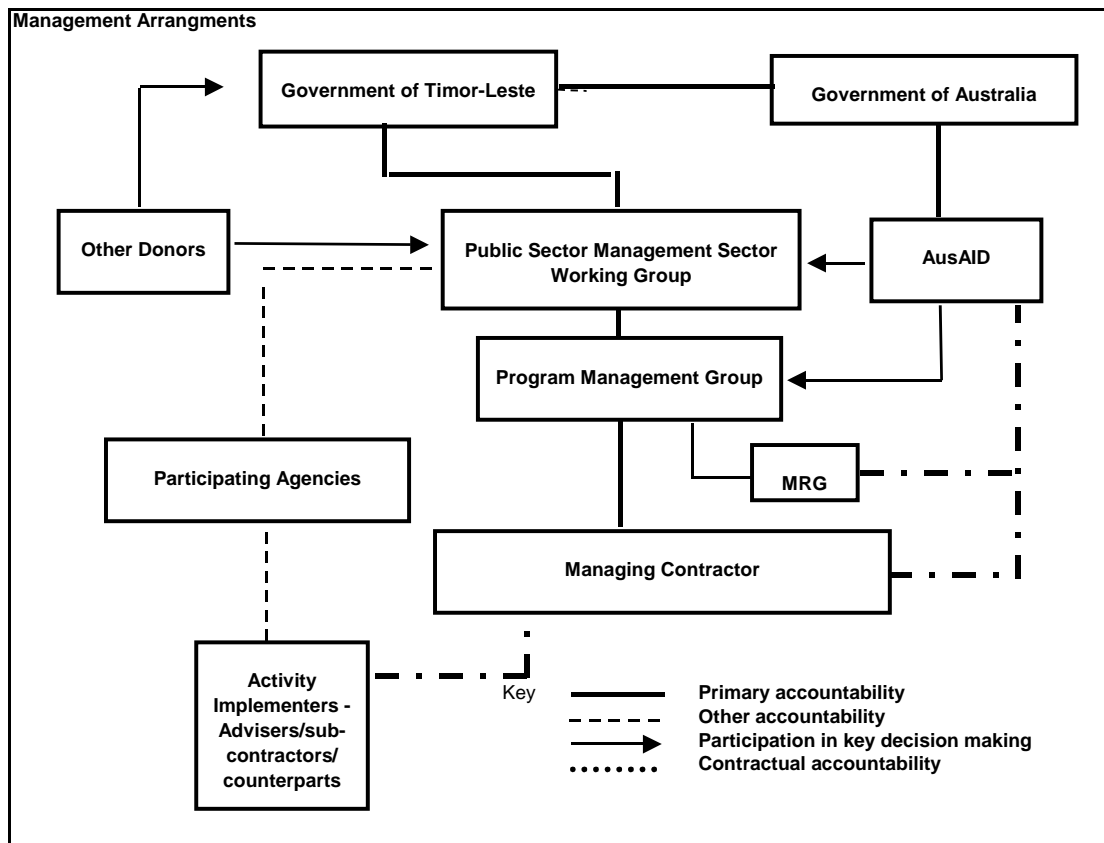
3.2   The roles and responsibilities of the key stakeholders will be as follows:

Managing Contractor

3.3   The Managing Contractor will be primarily responsible for operational management of the program. This will include the provision of a range of services at the program level, and the activity, or implementation, level, including ensuring proper coordination and harmonization with other development partners, particularly the proposed UNDP program referred to in Clause 1.7 above. These services are described in detail at Clauses 7, 8, 9 and 10 of this Schedule 1.

Public Sector Management Sector Working Group (PSM SWG)

3.4   The Public Sector Management Sector Working Group (PSM SWG) comprises key GoET institutional representatives, plus significant donors to the sector. Terms of Reference for all SWGs are to be finalised as part of the work of the SIP Coordination Unit. The key functions of the SWG include:

        (a)   Provide overall policy and strategic oversight of the PSM SIP;

        (b)   Review SIP performance and annual planning;

        (c)   Coordinate and harmonise donor efforts in the sector;

(d)   Discuss and resolve issues of coordination and quality of capacity building support; and

(e)   Oversee resource allocation of GoET and donor funds.

3.5   The PSM SWG is expected to meet either quarterly or six monthly. Consideration of the program will be one agenda item of the meeting. In relation to CDP, therefore, the PSM SWG will:

(a)   Endorse the annual plans of the program on behalf of the GoET;

(b)   Ensure coherence with the PSM SIP and other donor contributions;

(c)   Review performance of the PSM SIP overall and the CDP's contribution to SIP implementation.

Program Management Group (PMG)

3.6   A Program Management Group will be responsible for operational management, including program planning and review. It will comprise representatives of the four capacity building institutions (CDCU, NDPS, INAP, SIP Coordination Unit - NDPEAC) and AusAID. It will meet monthly or as otherwise required. Responsibilities of the PMG include:

(a)   Review and endorse annual and six monthly plans;

(b)   Approve resource allocation under the program;

(c)   Identify and select activities for assistance under the program;

(d)   Appraise proposals for assistance;

(e)   Review program progress reports from the Contractor (and/or advisers and individual activities as appropriate);

(f)   Review participation and commitment of participating organisations;

(g)   Review performance of the Contractor and implementing parties; and

(h)   Make recommendations for strategic and policy direction for consideration of the SWG (and/or the GoET and AusAID as appropriate).

AusAID

3.7   Responsibilities of AusAID officers at Post with regard to this program include:

(a)   Monitor PSM reform and capacity building activities, including the work of other donors;

(b)   Participate in strategic direction and policy of the program through the SWG and PMG;

(c)   Identify and propose relevant activity proposals as appropriate;

(d)   Identify and ensure linkages to other AusAID programs;

(e)   Participate in briefings (as appropriate) of advisers, and maintain informal relationships with key personnel;

(f)   Participate in program reviews;

(g)   Undertake ongoing program outcome and activity level monitoring; and

(h)   Oversee contract management and administration.

3.8   AusAID will be represented in the program by the designated A-based officer at the PMG and SWG as appropriate. In these functions, AusAID is responsible for ensuring strategic and policy coherence, and high level program monitoring. The AusAID Initiative Manager, who will also attend these meetings, will be responsible for day to day contract management and will undertake informal program monitoring in support of formal monitoring mechanisms. This includes maintaining relationships with key counterparts and agencies, other donors, the Managing Contractor and implementing parties.

Monitoring and Review Group (MRG)

3.9   A Monitoring and Review Group (MRG) is responsible for undertaking a secondary analysis of monitoring information available from the GoET and program documentation (see Clause 13 (Performance Assessment and Reporting) below). AusAID will contract the MRG separately, and they will be responsible for reporting to AusAID and the PMG. Responsibilities of the MRG include:

(a)   Assess the impact of the program through an analysis of available primary monitoring information provided, including a review of contextual information, published literature and documentation of other donors, GoET performance information (as indicated in the primary monitoring framework) and consultation with key stakeholders;

(b)   Assess the efficiency, effectiveness and quality of the program in delivering assistance (inputs, outputs and immediate achievements) through verification of program prepared documentation (such as the Annual Strategy Review Plan (ASRP) and other reporting);

(c)   Assess contractor performance, through a combination of effectiveness and quality performance measures and contract compliance. This assessment will also include performance of any additional adviser-related services contracted by AusAID for projects outside CDP.

3.10   The methodology for MRG contractor performance assessment will be developed by the MRG as part of the Performance Assessment Framework, and key performance measures will be related to escalation of the Total Management Fee as outlined in Schedule 2 to this Contract.

3.11   The MRG will undertake a two week in-country review initially every six months, although the PMG may decide to change them to annual reviews. The methodology for MRG review missions will be developed for PMG consideration by the nominated MRG team leader.

3.12   Separate TORs will be developed by AusAID specifically for the Mid Term Review and Program Completion Review.

4   **PROGRAM PHASING**

4.1   The Program is expected to be implemented over a ten year period, in two five-year Phases.

4.2 The Program will be aimed at achieving flexibility in design and implementation and the establishment of partnerships between all major stakeholders in the Program.

4.3 As the Program will evolve substantially over time, AusAID will undertake a formal Mid Term Review at the 2½ year point in each Phase of the Program.

4.4 Activities and costings in this Schedule 1 and Schedule 2 (Basis of Payment) refer to Phase 1 of the Program only.

5 **TRANSITION BETWEEN PHASE 1 AND PHASE 2**

5.1 At AusAID's sole and absolute discretion, the Managing Contractor for Phase 1 may be invited to implement Phase 2. The decision to proceed with Phase 2 and to allocate the work to the Phase 1 Managing Contractor will depend on, but will not be limited to, the following considerations:

(a) Confirmation by AusAID and GoET of the feasibility and appropriateness of proceeding to Phase 2;

(b) Approval by the Government of Australia of expenditure for Phase 2;

(c) Confirmation of the Government of East Timor's ongoing commitment to the activity;

(d) Satisfactory performance of the Managing Contractor in Phase 1; and

(e) Satisfactory agreement between AusAID and the Managing Contractor on the terms and conditions for Phase 2. Such agreement will be based on the rates and conditions submitted in the Phase 1 tender and incorporated into the Phase 1 contract.

5.2 If AusAID, in its sole and absolute discretion, and in accordance with the criteria set out in 5.1 above, decides not to invite the Phase 1 Managing Contractor to undertake Phase 2, AusAID will, at its discretion, proceed to tender for a Contractor to undertake Phase 2 of the Program.

5.3 If AusAID decides, at its sole and absolute discretion, to invite the Phase 1 Managing Contractor to proceed to Phase 2, it is anticipated that a variation order, or similar, will be issued under the contract.

5.4 AusAID will be assisted in making its decision by the Monitoring and Review Group (MRG), which will conduct reviews of the Program during Phase 1.

5.5 In assessing the performance of the Phase 1 Contractor, AusAID will give particular attention to the effective delivery of capacity building activities and the ability to establish constructive relationships with key stakeholders.

6 **FUNDING**

6.1 A budget of up to A$5 million a year has been set aside for the program for an initial five years. It is anticipated that the available funds, exclusive of CDP management costs, would be allocated across the four elements of scope of the Program in the following ratio:

(a)   40%, for strengthening the capacity of the four public sector capacity building institutions: CDCU, NDPS, INAP and the SIP Coordination Unit of NDPEAC, both individually and as a group;

(b)   20%, for building the capacity of Sector Working Groups to implement and maintain SIP processes;

(c)   30% for implementation of priority activities of the PSM SIP; and

(d)   10% for smaller scale but important support for capacity building initiatives across other sectors, through mechanisms established by CDCU or the other capacity building institutions, including the capacity building units of other line ministries.

Management fees for administration of the ADS program will be paid under the CDP. Funds for costs of university fees and payments to ADS candidates will be provided separately and directly by AusAID.

6.2   The level of funding programmed through the Annual Strategy Review and Plan will increase with time. As a guide, the Managing Contractor will aim to program 50-60% of CDP funds in Year 1, with 40-50% being available to respond to emerging needs. This proportion should rise by 10% per year and stabilise from Year 4 onwards, when only 10-20% of annual funding will be available to respond flexibly.

Timing

6.3   The program is expected to begin in June 2006 with a seamless transition from the previous Capacity Building Facility (CBF).

Location

6.4   The program will be co-located with the CDCU as one of the key counterpart institutions.

7   **SCOPE OF THE CONTRACTOR'S SERVICES**

7.1   The Contractor shall undertake the Program, including provision of personnel, resources and management services to undertake all relevant planning, coordination, liaison, consultation and administration necessary for the effective implementation of the Program. The Contractor shall undertake the Program in accordance with the intent of the *Program Design Framework dated December 2005,* and the Contractor's tender documents dated [closing date of tender].

7.2   The Contractor is required to perform the Services in accordance with the detailed requirements described in this Clause 7 of this Schedule 1 and also to the standards and specifications detailed in the clauses of Clauses 8, 9, 10, 11, 12, 13 and 14 of this Schedule 1.

7.3   The Managing Contractor shall be primarily responsible for operational management of the program. This will include the provision of a range of services at the program level, and the activity, or implementation, level.

7.4   The Contractor shall be responsible for the procurement of materials, equipment and services necessary to the Program, in accordance with the Commonwealth Procurement Guidelines, and AusAID policies and

procedures. The Commonwealth Procurement Guidelines are available at http://www.finance.gov.au/ctc/commonwealth_procurement_guide.html.

8   PROGRAM LEVEL SERVICE

8.1   At the program level, the Contractor shall:

(a)   Support program planning and review through holding the annual stakeholder workshop, preparing an Annual Strategic Review and Plan for consideration by the PMG and endorsement by the PSM SWG and preparing detailed six-monthly workplans;

(b)   Maintain relationships with key stakeholders – including Government agencies, other AusAID-funded projects and other relevant projects and development partners – in a collaborative and effective manner, including through formal arrangements where necessary;

(c)   Develop the Performance Assessment Framework (PAF) as per Clause 13 (Performance Assessment and Reporting) of this Schedule 1;

(d)   Implement the Performance Assessment Framework as per Clause 13 (Performance Assessment and Reporting) of this Schedule 1, including the periodic submission of reports using the Simplified Monitoring Toolbox (SMT) format;

(e)   Manage staff employed by the program, ensuring performance meets standards outlined in approved TOR;

(f)   Establish and maintain systems for financial management, human resource management, contract management, quality assurance, project planning and review, and resource allocation, including through the development of Program Operations Handbook (in accordance with Clause 11 (Program Inception) of this Schedule 1); and

(g)   Provide oversight for capacity building programs/activities and provide technical assistance to key government Agencies in establishing systems for capacity building coordination and support. This shall include working alongside the advisers, technical assistance, projects and other support provided to GoET Agencies for this purpose to ensure coherence and quality of approach across the program.

9   ACTIVITY LEVEL SERVICES

9.1   At the activity level, the Contractor shall:

(a)   Establish and implement systems for scoping activities, preparing terms of reference, sub-contracting and tendering for the services of advisers funded under the program, and advisers nominated by and funded from other line ministries and/or AusAID;

(b)   Source candidates (both those funded under the CDP and those nominated by and funded from other line ministries and/or AusAID programs), whether expert advisers, volunteers or under government twinning arrangements, in line with the recruitment procedures developed for CDP, using transparent and accountable procurement

processes in accordance with the Commonwealth Procurement Guidelines;

(c)   Interview and recommend candidates (both those funded under the CDP and those nominated by and funded from other line ministries and/or AusAID programs) after conducting suitable referee checks;

(d)   Provide pre-deployment intensive Tetum or Portuguese language training of at least two weeks duration for advisers, volunteers or other personnel contracted for six months or longer, and continuing language training of at least 2 hours per week thereafter for the length of the assignment. (This requirement may be waived for personnel who are already competent in one or both languages);

(e)   Brief and prepare candidates (both those funded under the CDP and those nominated by and funded from other line ministries and/or AusAID programs) for mobilisation;

(f)   Mobilise advisers funded under the CDP, and advisers nominated by and funded from other line ministries and/or AusAID programs, including provision of all necessary logistical and administrative support;

(g)   Supervise and support the performance of advisers (both those funded under the CDP and those nominated by and funded from other line ministries and/or AusAID programs), as required across the AusAID program;

(h)   Ensure that consistent capacity building approaches are incorporated into the TOR and work practices of all advisers (both those funded under the CDP and those nominated by and funded from other line ministries and/or AusAID programs);

(i)   For advisers funded under the CDP, monitor the implementation of assistance provided under the program. This will include establishing a system for regular reporting from those providing and receiving assistance under the program on inputs, outputs and key achievements. Informal monitoring of performance through regular site visits, discussions with counterparts and key stakeholders shall also be maintained;

(j)   For advisers funded from other line ministries and/or AusAID programs, provide an ongoing monitoring function for the GoET and AusAID on adviser performance;

(k)   Facilitate the implementation of other capacity building activities using a variety of modes of assistance (including, but not limited to Public Sector Linkages Program (PSLP), volunteer placement through Australian Youth Ambassadors for Development (AYAD) of Australian Volunteers International (AVI) volunteers, tailored training programs) in consultation with other stakeholders, and provide ongoing monitoring of contribution to the CDP goal and mission.

10   **AUSTRALIAN DEVELOPMENT SCHOLARSHIPS MANAGEMENT**

10.1   In addition to the management and administrative functions specified in Clauses 8 and 9 above, the Contractor shall manage and administer the Australian Development Scholarships Program in East Timor, in accordance with the Australian Development Scholarships Manual (available on AusAID's website at www.ausaid.gov.au/publications/pdf/scholarships/ads_manual.pdf). The Contractor shall be guided by an Annual Training Strategy (ATS) that sets the priorities for selecting awardees.

10.2   ADS placements will commence in the 2007 academic year. The annual recruitment cycle will commence in September each year, as per Annex 3 (Indicative Timeline for ADS Annual Cycle (Sept-Aug)) to this Schedule 1.

10.3   Transparency and accountability will be guiding principles in the selection of scholarship awardees, with selection processes and outcomes clearly documented. Provincial access and gender equity will be taken into consideration in the allocation of awards.

10.4   The Contractor will also be responsible for undertaking Monitoring and Evaluation of the ADS Component of CDP, with a particular focus on monitoring of outcomes achievement.

10.5   Note that funds for the costs of university fees and payments to candidates will be provided separately and directly by AusAID.

10.6   ADS Component Description and Objectives

10.7   ADS Component 1: Project Management and Strategic Direction

        (a)   Objective: To facilitate effective governance and strategic direction of ADS and provide efficient operational management.

        (b)   **ADS Output 1.1:**   A strategic and functional governance arrangement operating through the ADS Committee.

        (c)   The Contractor shall:

                (i)   Act as Secretariat for and facilitate the implementation of other capacity building activities using a variety of modes of assistance, and in consultation with other stakeholders, eg PSLP, AYAD ADS Committee meetings, including:

                        (A)   arranging the time and venue for each meeting;

                        (B)   drafting the meeting agenda;

                        (C)   providing the required documents in advance to all committee members;

                        (D)   presenting a report for the period.

        (d)   **ADS Output 1.2:**   Annual Training Strategy developed in line with GoA and GoET priorities.

        (e)   The Contractor shall:

(i)   Prepare an Annual Training Strategy (ATS), in consultation with PCC members, AusAID staff, other AusAID project team leaders and other stakeholders, taking into account:

(A)   National Human Resource Development (HRD) priorities;

(B)   AusAID sectoral priorities and current and planned projects;

(C)   training activities of other donors;

(D)   data collected as part of the monitoring framework; and

(E)   the previous years' performance.

(ii)   The Training Strategy must:

(A)   recommend and justify ADS sectors, allocations, and level of study (TAFE, undergraduate, postgraduate diploma or Masters, or PhD);

(B)   present a comprehensive matrix of other donor scholarship and HRD activities;

(C)   include measures to facilitate gender equity and district access;

(D)   specify objectives and performance indicators, together with a monitoring framework; and

(E)   be reviewed and updated as part of the Capacity Development Program's Annual Plan process.

(f)   **ADS Output 1.3:**   Annual plans developed in line with AusGUIDE and approved by the ADS Committee.

(g)   The Contractor shall:

(i)   As part of the preparation of the CDP Annual Strategy and Review Plan, prepare an ADS Annual Plan including cost schedules, in consultation with key stakeholders, including the ADS Committee. It should incorporate a summary of the previous year's activities and achievements against work plan targets and performance indicators together with a work program for the following period.

(h)   **ADS Output 1.4:**   Project administration systems developed and implemented, a quality plan produced and documented in an operations guideline.

(i)   The Contractor shall:

(i)   Ensure Project staff work closely with personnel from key agencies, related projects and other donors, to implement Project objectives.

(ii)   Ensure that adequate communication is maintained with

(A)   AusAID Dili;

          (B)   Australian education institutions and in particular those contracted to AusAID to provide Australian Development Scholarships; and

          (C)   relevant partner agencies, stakeholders, suppliers and contractors.

    (iii)   Ensure that the offices in Dili and Australia develop and maintain paper and electronic filing systems.

    (iv)   Arrange the acceptance and transfer of existing project equipment and furniture from the previous ADS activity in East Timor, upon its completion, and the procurement of additional equipment and supplies as necessary. The current ADS activity ends on 30th September 2006;

    (v)   Ensure that the office in Dili is open and operational during standard East Timor working hours on all normal working days in East Timor for the duration of the Program (unless otherwise agreed in writing with AusAID Dili);

    (vi)   Adhere to AusAID's policy on Gender and Development in the implementation of ADS. The goal of this policy is to promote the equal participation of women and men as participants and beneficiaries of development; and

    (vii)   Ensure ongoing relevance of the Quality Plan (embracing the principles of reliability, consistency, effectiveness and efficiency) and operations guideline, including regular updates to these documents.

10.8   ADS Component 2: ADS Implementation

    (a)   Objective: To select and place suitably qualified East Timorese candidates in long-term in-Australia tertiary courses in accordance with the agreed HR and capacity building focus.

    (b)   **ADS Output 2.1:** Effective promotion of the ADS program in the targeted areas and adequate information on studying in Australia, available to prospective applicants and awardees.

    (c)   The Contractor shall:

    (i)   Develop a comprehensive Promotion Strategy to maximise the quality of candidates, and implement a strategy for ADS intakes for each year of the Program;

    (ii)   Provide comprehensive information on Australian Tertiary Courses and studying in Australia. This should include one computer with internet access available to short listed candidates.

    (d)   **ADS Output 2.2:** Applicants selected in a transparent manner in line with the ATS.

    (e)   The Contractor shall:

    (i)   Through a joint selection committee, select ADS awardees, to be endorsed by the ADS Committee, in accordance with the

ATS and the transparent and accountable procedures documented in the Operations Guideline. It is envisaged that up to 8 awards will be offered, and selection should include a minimum of 3 reserves. Selection should include the following steps as a minimum:

    (A)   short-listing applications;

    (B)   IELTS testing of short listed applicants;

    (C)   interviewing shortlisted applicants; and

    (D)   issuing Letters of Offer (including administering approved award variations).

(f)   **ADS Output 2.3:** ADS awardees placement and mobilisation achieved in a timely manner.

(g)   The Contractor shall:

    (i)   Ensure timely completion of all pre-departure preparation procedures to facilitate arrival/reception of awardees at Australian institutions. This includes:

        (A)   timely notification of application outcomes;

        (B)   timely pre-departure briefings with a continuous improvement process for content, based on lessons learned; and

        (C)   arranging visas, medical clearances, travel, overnight accommodation and liaison with host institutions.

    (ii)   Ensure that all awardees are mobilised and placed in a timely manner.

(h)   **ADS Output 2.4:** English Language Training (ELT) implemented in time for the cohort of ADS students.

    (i)   Implement ELT in time for the cohort of students.

(i)   **ADS Output 2.5:** Awardees achieve improved IELTS levels after the ELT.

(j)   The Contractor shall:

    (i)   Undertake a post ELT IELTS test to measure the level of improvement for all students and assess their individual state of readiness to commence their award.

(k)   **ADS Output 2.6:** Variations in award processed in accordance with the East Timor ADS Guidelines.

(l)   The Contractor shall:

    (i)   Process all requests for variation that are generated through SIMON in a timely and efficient manner.

(m)   **ADS Output 2.7:** Dependents Mobilised

(n)   The Contractor shall:

(i)   In line with the requirements of the East Timor ADS Guidelines, support the mobilisation of dependants in a timely manner.

11   ADDITIONAL SERVICES

11.1   Any additional services to be performed by the Contractor on behalf of other clients (such as the management of NZODA scholarships or supporting the UNDP project management unit) will be the subject of negotiations between the parties to mutual satisfaction, in accordance with the procurement guidelines of the relevant parties.

12   PROGRAM INCEPTION

12.1   The Contractor shall develop the appropriate systems for the operations of the program during the first three month period (Program Inception) of the contract. The key management and operational mechanisms for the program described below shall be included in a Programs Operations Handbook for consideration by the PMG.

12.2   The Contractor shall convene the first Annual Planning Workshop to update GoET priorities and strategic directions and assess their implications for the program, and to identify broad areas of activities to be undertaken in the following year. All stakeholders should be invited, including GoET officials, AusAID, other development partners, CDP staff and advisers, and any other relevant advisers. The outputs of the workshop will provide input to the Annual Strategy Review and Plan.

12.3   The Contractor shall develop a format for, and obtain endorsement from AusAID and the PMG, and then develop the first Annual Strategy Review and Plan (ASRP) following the planning workshop which will include a report of assistance provided and achievements in line with the scope of the design framework, a review of the status of sector (particularly the public sector), needs assessment and requests from agencies received, commentary on the status of the current design and required changes, and recommendations for assistance. The plan will be formally approved by the PSM Sector Working Group. The ASRP is the critical mechanism for ensuring that a coherent and interdependent portfolio of activities is developed under the Program.

12.4   The Contractor shall develop for PMG consideration the first six month workplan: The six month workplan will provide a detailed budget for the forthcoming period based on approved Proposals for Assistance. Over time, the workplan may become an annual workplan.

12.5   The Contractor shall prepare a format for Proposals for Assistance for consideration of the PMG. The proposal should indicate the rationale, outputs and objectives, cost and timing, and linkages to GoET stated goals and plans (particularly the SIPs).

12.6   The Contractor shall prepare, in association with the PMG, selection criteria for resource allocation of Proposals for Assistance. The criteria should reflect the scope, the intended outcomes (both direct and indirect), and modes of assistance of this design framework.

12.7 The Contractor shall develop a standard format for Adviser TOR, based on a model developed by the CDCU to ensure coherence of capacity building approaches throughout the program. Adviser TORs must be endorsed by the PMG and the relevant line or counterpart Agency.

12.8 The Contractor shall develop, in conjunction with the PMG, a CDP Recruitment Strategy that:

   (a)   Prioritises recruitment of locally-engaged advisers/personnel;

   (b)   Prioritises recruitment of less experienced professionals, and the use of alternative sources of personnel, such as Australian Youth Ambassador and other volunteers;

   (c)   Prioritises recruitment of advisers/personnel with relevant language skills (Portuguese and Tetun) by including language skills as an "essential" or "highly desirable" selection criterion as appropriate in the TOR;

   (d)   Targets the recruitment of suitably qualified advisers/personnel (neither under-qualified nor over-qualified in relation to the TOR); and

   (e)   Adheres to the Commonwealth Procurement Guidelines and AusAID Eligibility Criteria.

12.9 The Contractor shall develop a standardised format for reporting of each mode of assistance (adviser, project, volunteer, TA, and so on) which will ensure basic requirements for internal reporting to the relevant line agency is maintained, and external reporting back to the Contractor is provided. The Contractor shall ensure that the reporting format provides for adequate information flow between the Contractor and the relevant line agency.

12.10 The Contractor shall develop the first ADS Annual Plan (as per Clause 10.7 (f) and (g) above), the first ADS Annual Training Strategy (in accordance with Clause 10.7 (d) and (e) above), the ADS Operations Manual (in accordance with Clause 10.7 (h) and (i) above) and the ADS Promotion Strategy (in accordance with Clause 10.8 (b) and (c) above). The Contractor will ensure that the first ADS Annual Plan is completed prior to the commencement of the first ADS recruitment cycle in September 2006.

12.11 The Contractor shall develop a Performance Assessment Framework for the Program, based on the concepts and principles outlined in the Design Framework of December 2005, and in accordance with the requirements of Clause 13 (Performance Assessment and Reporting) of this Schedule 1. The Contractor will ensure that the responsibilities allocated to various GoET agencies are understood and appropriate, and shall be responsible for ensuring that the Program provides the necessary assistance for the development of tools and methods for responsible parties to develop, maintain and report in accordance with the performance framework requirements.

12.12 The Contractor shall take into account the work conducted by the, Organisational Development Adviser (ODA) appointed by AusAID for six months prior to mobilisation for this activity in order to facilitate the transition from past assistance to this new activity. A TOR for the AusAID ODA is at Annex 6 of the Design Framework. The AusAID ODA will have a range of responsibilities related to: (i) planning for the proposed Public Sector Capacity

Development Program; (ii) supporting the CDCU; (iii) support to SIP implementation and the existing CBF sub-project.

12.13 The Contractor shall develop a gender strategy for inclusion in the Program Operations Handbook, based on an analysis of key gender issues likely to impact upon the program. This should be prepared by the key personnel of the program, in particular the Contractor's Organisational Development Adviser, and be of no more than eight pages in length, outlining the major issues and program strategies to address them.

13   INDICATIVE FIRST YEAR WORK PROGRAM

13.1 In consultations for the Design Framework, a range of priorities was identified to be included in the first year work program. These include the following:

(a) Clarify roles and responsibilities of CDCU, NDPS, INAP and NDPEAC and strengthen coordination and cooperation between them;

(b) Human resource management in the Public Service – working with NDPS and strengthening it; implementing the regulations relating to the Civil Service Act;

(c) Strengthening INAP, particularly to help it become independent;

(d) Strengthening the SIP process, embedding it and building the links between SIP, AAP, QRM and combined sources budget;

(e) Leadership & management training;

(f) Strengthen CDCU, starting with developing its organic law;

(g) Medium term HR strategic plan.

13.2 These priorities will be discussed, refined, developed and costed by the AusAID-appointed Organisation Development Adviser (a position that is separate from the CDP Organisation Development Adviser), taking into account further developments since the consultations, particularly the work programs of other advisers. Of particular importance is establishment and maintenance of arrangements to facilitate proper coordination and cooperation with the proposed UNDP program referred to in clause 1.7 to this Schedule 1.

13.3 In implementing its Exit and Transition Strategy, the current Capacity Building Facility (CBF) Contractor will make arrangements for the novation of contracts of existing Advisers to the new Program as required.

14   PERFORMANCE ASSESSMENT AND REPORTING

14.1 The Contractor shall be responsible for ensuring that performance assessment and review mechanisms are developed and established for both primary data collection and analysis of direct and indirect outcomes of the Program, in order for secondary analysis to be undertaken by the Program Management Group and the AusAID-appointed Monitoring and Review Group. In many cases these mechanisms will need to be endorsed and utilised by the relevant GoET agencies. The PAF shall be developed further and approved by

AusAID during the Program Inception in accordance with Clause 11 (Program Inception) of this Scope of Services.

14.2   The Performance Assessment Framework has been designed to address three critical questions:

> Key question 1: What was the extent and quality of what the program delivered?
>
> Key question 2: What changes are taking place in the areas that program is intending to influence?
>
> Key question 3: What is the significance and value of contribution that the program is making to the changes that are taking place?

14.3   Quality assurance, accountability and reporting

(a)   The Contractor shall ensure that basic records are established and maintained against the following areas:

(i)   Quality and immediate achievements of program activities, including internal periodic reporting by Key Personnel;

(ii)   Scholarship provision;

(iii)   Financial expenditure;

(b)   In addition, the Contractor shall provide method and tools for the responsible parties to implement processes of data collection and analysis for the following areas:

(i)   Donor coordination and complementarity (by AusAID and PMG/PSM SWG);

(ii)   Quality and performance of advisers working in GoET (by CDCU); and

(iii)   Flexibility and responsiveness (of the program) to changing needs (by the PMG).

(c)   The Contractor shall be responsible for ensuring that appropriate reporting information is included in the Simplified Monitoring Toolbox for AusAID corporate annual reporting requirements.

14.4   Outcomes and impact

(a)   The program is expected to influence a broad range of outcomes both directly and indirectly. Responsibility for collecting evidence of changes in these areas is already a responsibility of a GoET agency, and there is often existing or planned donor support to assist them in this function, unless specifically identified as an activity under the Program.   The Contractor shall ensure that specific indicators have been developed for each of these areas with the responsible parties, and that specific methods and tools are developed for their assessment and reporting.

14.5   Direct impact

(a)   Institutional capacity of key counterpart institutions (CDCU, NDPS, INAP, SIP Coordination Unit of NDPEAC) (evidence collected by the ODA utilising tools developed jointly with agencies for this purpose);

(b)   Effectiveness of SIP processes (evidence collected by the SIU-NDPEAC, supported by a Program activity);

(c)   Implementation of the Public Sector Management SIP (evidence collected by the PSM SWG with assistance and tools developed by the SIU-NDPEAC as an activity under the Program); and

(d)   Coordination and quality of capacity building support provided by GoET (evidence collected by the CDCU using tools developed for this purpose by Advisers and/or as an activity under the Program).

14.6   Indirect impact

(a)   Services delivered by GoET line agencies (evidence collected by line Ministries using own performance reporting tools); and

(b)   Implementation of the National Development Plan (evidence collected by GoET with donor support as one of the activities under the PSM SIP).

14.7   Program specific monitoring and evaluation mechanisms

(a)   Program specific monitoring, or 'secondary monitoring,' will involve both an assessment of individual activities funded by the program and an analysis of the changes in the context. This latter will lead to an assessment about the success of the program overall, in terms of its contribution to outcomes and impact. Performance payments of the Contractor are linked to the performance of the overall Program through an evaluation system utilised by the Monitoring and Review Group.

(b)   The Program Management Group meetings provide a regular review of program performance and direct monitoring of stakeholder relationships, priority needs, program achievements, and program relevance. The PMG will utilise the formal monitoring tools of the ASRP, implementation reporting, and the informal tools of relationship maintenance and feedback from counterparts and stakeholders. The Contractor shall ensure that PMG meetings have their agenda structured to consider achievements, performance and relevance of the program's assistance. The Contractor shall prepare minutes to reflect the analysis undertaken routinely.

(c)   The Contractor will fully cooperate with the Monitoring and Review Group (MRG) in its implementation of its six- or twelve-monthly review missions, on which the MRG will conduct substantive analysis of impact, program effectiveness, and contractor performance. The Contractor will provide similar assistance for the Mid Term Review mission at the 2 ½ year mark and the Completion Report at the 5 year mark, which will constitute more substantial reviews of the Program.

14.8   In addition to these two program specific mechanisms, the Contractor may also propose the use of the following mechanisms, to be approved at the direction of the PMG:

(a)   Specifically commissioned research into areas critical for capacity building effectiveness or public sector management improvement,

which may be of benefit to GoET agencies, AusAID and other donors, as well as for program monitoring; and

(b)   Participation in or support to other donor evaluations and reviews particularly for related projects and programs which complement the work of the program, with particular reference to the UNDP program mentioned at clause 1.7 to this Schedule 1.

15   PERSONNEL

15.1   The Contractor shall support the team and operations of the Program by means of the administrative and financial staff and facilities of the Contractor in Australia and by means of professional and technical direction and support that will ensure the quality of project outcomes.

15.2   The Contractor shall provide the key personnel specified in Annex 1 to this Schedule 1 to undertake the Services, in accordance with the tender documents detailed in Clause 7 (Scope of the Contractor's Services) of this Schedule 1 for the Program.

15.3   The Contractor shall deploy local administrative, logistics and other support staff necessary for the efficient and effective management and administration of the Project.

15.4   The Contractor shall deploy sufficient numbers and appropriately qualified and experienced translators and interpreters as required for the effective implementation and management of the program, including but not limited to a dedicated translator/interpreter for each of the international specified personnel.

15.5   The Contractor shall ensure that all staff for the Program have Terms of Reference in accordance with the Position Descriptions of the Program Design Framework.

15.6   The Contractor shall establish project offices in CDCU in Dili, with sufficient communications, logistics and security equipment for efficient project management in accordance with Clauses 8, 9, 10 and 11 of this Scope of Services.

15.7   The Contractor shall establish and maintain a system for supporting reimbursable procurement and other expenditure including copies of all receipts, tendering and quotations, and other documentation demonstrating adherence to the Commonwealth Procurement Guidelines.

16   PROJECT MONITORING AND REPORTING REQUIREMENTS

16.1   The Contractor shall, once per year, complete and submit to AusAID Dili the relevant components of the Corporate Reporting Tools (CRTs) drawn from the Simplified Monitoring Toolbox (SMT). This shall be done at the time of drafting, completing and submitting the Annual Progress Report and Plan.

16.2   The Contractor shall submit the Corporate Reporting detailed in Clause 16.1 to AusAID Dili within 14 working days of the end of the period to which the

report relates. The Contractor is to amend the reports, as reasonably requested by AusAID, provided such requests comply with the SMT Guidelines.

16.3 The Reporting detailed in Clause 16.1 above is to be prepared in accordance with the SMT Guidelines, a copy of which are available on AusAID's business website at: *http://www.ausaid.gov.au/publications/pdf/business/smt.pdf*.

16.4 AusAID will provide the Contractor, with an electronic copy of a customised SMT report format, as soon as practicable, from the Project commencement date. The electronic proformas which form the relevant formal reporting requirements will then be sent out in line with scheduled reporting.

16.5 The Contractor shall also submit the following monitoring reports to AusAID, by the date, in the format and number of copies indicated:

(a) Program Operations Handbook, one (1) hard copy and one (1) electronic copy, submitted by the Program Manager to the Post, within 3 months of contract start date;

(b) Annual Strategy Review and Plan (ASRP), two (2) hard copies and one (1) electronic copy submitted by the Program Manager to the AusAID Activity Manager Dili, annually;

(c) Six monthly workplans, two (2) hard copies and one (1) electronic copy submitted by the Program Manager to the AusAID Activity Manager Dili, six monthly;

(d) Six-Monthly Progress, Risks and Issues Reports;

(e) Brief Exception Reports, immediately upon identification of any unforeseen problems arising in the Program that may have a detrimental effect on the Program, particularly in relation to the achievement of the objectives of the Program;

(f) PMG Minutes, submitted within 7 days after the PMG Meeting, two (2) hard copies and one (1) electronic copy, submitted by the Program Manager to the AusAID Activity Manager Dili, monthly;

(g) ADS Annual Training Strategy (ATS), two (2) hard copies and one (1) electronic copy, submitted by the ADS Manager to the AusAID Activity Manager Dili, annually;

(h) ADS Annual Student Progress Report, providing an update on all awardees undertaking foundation, ELT, and their award, two (2) hard copies and one (1) electronic copy, submitted by the ADS Manager to the AusAID Activity Manager Dili, annually.

(i) ADS Annual Statistics Report, providing summary data on the numbers of awards in relation to level, course, sector, gender, province (birth and employment) and other information as appropriate for M&E. It should also analyse trends/significant variables in the data and student's achievement as a means to improving targeting, selection and preparatory activities. Two (2) hard copies and one (1) electronic copy, submitted by the ADS Manager to the AusAID Activity Manager Dili, annually.

(j)   Project Completion Report, ten (10) days prior to completion of the contract, five (5) hard copies and one (1) electronic copy, submitted by the ADS Manager to the AusAID Activity Manager Dili.

16.6   All reports, including SMT reporting, must:

(a)   be provided in accordance with the specification under Standard Condition **Clause 7** (Reports);

(b)   be accurate and not misleading in any respect;

(c)   be prepared in accordance with AusGUIDE;

(d)   allow AusAID to properly assess progress under the Contract;

(e)   be provided in the format and on the media approved or requested by AusAID;

(f)   not incorporate either the AusAID or the Contractor's logo;

(g)   be provided at the time specified in this Schedule 1; and

(h)   incorporate sufficient information to allow AusAID to monitor and assess the success of the Services in achieving the objectives of AusAID's Gender and Development Policy.

16.7   Note that the Performance Assessment Framework requires a considerable amount of internal and external reporting by both GoET agencies and the Contractor. This internal and external reporting forms the basis of reporting to the Program Management Group and is also made available for use by the Monitoring and Review Group (MRG). This Clause 16 lists only those reports required to be provided directly to AusAID, rather than a comprehensive list of internal reporting requirements to various audiences as required in Clause 13 (Performance Assessment and Reporting).

SCHEDULE 1 ANNEX 1 – SPECIFIED PERSONNEL

ROLE	NAME	INPUTS (months)	
		In-Australia	In-country
Program Manager			60
Activity Manager		-	60
Organisation Development Adviser		-	24
Training and Capacity Building Adviser		-	60
Monitoring and Evaluation Specialist		-	6.5
ADS Manager		-	60

SCHEDULE 1 ANNEX 2

– INDICATIVE TIMELINE FOR ANNUAL ADS CYCLE (SEPT-AUG) **Activity**	Timing	Responsibility
• ADS Committee Meeting. • The purpose of this meeting is to agree on the number of priorities relating to field of study, the number of scholarships available and any other issues.	September	Contractor
• Decisions to be taken on East Timor and Australian sides arising out of ADS Committee Meeting.	September	AusAID East Timor Agencies
• All parties involved in advertising process to commence agreed activities and continue them over the agreed advertising period.	September to October	Contractor East Timor Agencies
• Letter to be sent to East Timorese agency requesting the nomination of East Timorese academic(s) to sit on Joint Selection Panel.	September	Contractor
• ADS Office in Dili to be ready to supply materials / booklets on ADS awards, information on course availability and institutional choices and ready to deal with enquiries on application procedures.	By end September	Contractor
• Closing date for receipt of applications forms and supporting documentation.	Early November	Contractor East Timor Agencies
• Short-listing of applicants by the JST to obtain nominations according to agreed policy and eligibility criteria for forwarding to AusAID in Dili.	Late November	Contractor/ Joint Selection Team
• Acceptance of the list of nominated students as meeting policy and eligibility criteria.	Early December	AusAID, Dili
• Briefing meetings to be held in Dili for short listed nominees.	Mid December	Contractor
• IELTS preparation course to be held in Dili	Mid December	Contractor
• IELTS Team to deliver IELTS testing.	Early January	Contractor
• Joint Selection Team Interviews.	Mid February	Contractor/Joint Selection Team
• Ranked list of nominees to be prepared and submitted following interviews / IELTS testing for consideration by AusAID Dili. Summary comments to be provided on the extent to which up to top 8 nominees and 3 reserve candidates (plus 3 candidates for New Zealand) meet the policy and eligibility requirements agreed.	Late February	Contractor /Joint Selection Team

– INDICATIVE TIMELINE FOR ANNUAL ADS CYCLE (SEPT-AUG) Activity	Timing	Responsibility
• Tentative agreement to be reached at an ADS Committee meeting to be held in Dili on the composition of the scholars to undertake EAP and academic courses in Australia.	Late February	Contractor/ AusAID, Dili / East Timor Agencies
• Formal approval by AusAID Dili of the successful awardees and reserve candidates.	Late February	AusAID, Dili
• Successful and reserve nominees to be advised. GNZ representative to be advised of successful NZ nominees.	End February	Contractor
• All nominees to commence medical and x-ray examinations in Dili. X-rays to be referred to Australia if required. Applications for travel documents to be completed and submitted to appropriate agency.	March - April	Contractor
• Applications to be lodged with universities through SIMON	March, or as per universities' deadlines	Contractor
• Awardees & reserves attend Pre-departure Training Program	May	Contractor
• "Personal" profiles prepared for each student and submitted to AusAID Dili. This profile will be based on an assessment of preparedness for study and life in Australia, indicating progress made during the course and particular challenges that each student might need to meet in Australia.	End May	Contractor
• Following visa issue, travel to Australia. Ensure reception/ accommodation arrangements have been made with relevant Australian institutions.	May – July	Contractor
• Students commence English language training in Australia. The Contractor will: • Liaise with English language provider on IELTS results of each student; • Confirm award acceptances to institutions in Australia; • Input of SIMON data and send to Student Management Section of AusAID, Canberra; • Monitor Students' progress; • Provide IELTS and other test results to institutions and confirm placement; and • Make onward arrangements of students to their institution in Australia and handover responsibility to that institution.	July -August	Contractor

– INDICATIVE TIMELINE FOR ANNUAL ADS CYCLE (SEPT-AUG) **Activity**	**Timing**	**Responsibility**
- Ongoing Monitoring activities will include: - Regular meetings/communication with institutions; - In close liaison with institutions, develop strategies to ensure the successful completion of study programs for all students in the shortest time practicable; - Provide exception reporting to AusAID; - Receiving routine reports on students progress from institutions; - Making recommendations to AusAID if, for academic/personal or behavioural reasons, a students scholarship should be terminated; - Confirming placement at institution once English language training has been successfully completed; - Processing requests for extensions and seeking endorsement from AusAID/ETTA; - Providing estimates of expenses to AusAID, Canberra in December each year and a revised estimate in May of each year.	Ongoing	Contractor

Annex 9 Terms of Reference – Key positions

CDP Program Manager

Reports to:	Program Management Group/AusAID
Primary counterpart:	CDCU Director
Other counterpart staff:	Heads of NDPS, INAP, NDPEAC
Other key stakeholders:	Program Management Group (membership to be confirmed by AusAID); staff co-located with CDCU - UNOTIL, UNDP; Capacity Development Adviser in CDCU (UNDP position); staff of NDPS, INAP, NDPEAC; advisers working in the four key agencies, advisers working in other agencies employed under UNOTIL, UNDP, CBF; AusAID and other development partners
Duration:	60 months
Location:	CDCU, Dili
Languages:	Proficiency in English essential. At least one of Portuguese, Bahasa Indonesia or Tetum highly desirable. Willingness to participate in Tetum language classes as a requirement of contract.

Overall purpose of the position

The Program Manager provides strategic and operational leadership to the CDP, ensuring that the program is designed and implemented in accordance with the intention of the Design Framework in line with GoET priorities and meeting the obligations of the Contractor. This includes a leading role in managing the strategic planning and implementation of the ETADS project.

Key Objectives of the position:

1   To ensure that the strategic direction of the program is in accordance with the intentions of the Design Framework and GoET priorities through facilitation and support of the Program Management Group and in preparation of an Annual Strategy Review and Plan, and ADS Annual Training Strategy.

2   To provide operational support to the key counterpart Agencies in the planning, implementation of 6 monthly workplans which address their capacity building needs.

3   To ensure collaborative working relationships amongst a diverse range of stakeholders, including key counterpart Agencies, AusAID, other donors and line Agencies involved in the program.

4   To undertake policy and contextual analysis which may be required to support the PMG and Public Sector Management SWG in performance of their duties.

5   To ensure that the primary monitoring functions of the program and of key counterpart Agencies are undertaken through provision of support to systems and capacity building of counterpart staff to full their responsibilities.

6   To manage the human and financial resources of the program in accordance with contractual requirements, the Commonwealth Procurement Guidelines, and policies of AusAID and the GoET.

7   To oversee the administration and implementation of the CDP, to ensure high quality services and advice is provided to the GoET through the program advisers and the assistance provided under the program, including ADS.

Skills required

1. A degree in a relevant field
2. Extensive experience in managing programs, including: strategic management and contract administration, team supervision and leadership, monitoring and evaluation, report writing, demonstrated sound judgement in decision making.
3. Relevant experience in public sector management, including provision of advice to senior policy makers and understanding of policy development
4. Outstanding written and oral communication skills
5. Highly developed inter-personal skills with an ability to: communicate effectively with others from different social, ethnic and cultural backgrounds, adapt to different cultures, and listen to ideas and concerns of others
6. Demonstrated ability to balance best practice methods and international experience with current and emerging conditions and structures in East Timor.

Personal attributes

It is essential that the job-holder can establish effective working relationships with the full range of key stakeholders, including senior government officials and national staff, and program officers and staff of development agencies. This requires qualities of genuineness of approach and integrity, in order to build mutual respect and trust. The likely personal attributes of such a person include:

1. Demonstrable capacity to develop and share a vision and strategic approach, while supervising day to day operations
2. Able to work according to agreed principles and model the desirable behaviours, including openness, cooperation, a focus on the wider goals, and able to handle conflict appropriately and constructively
3. Sensitive to and able to act appropriately in the Timorese culture
4. Flexible, responsive, disciplined and patient.

Activity Manager

Reports to:	CDP Program Manager
Primary counterpart:	Nominated staff of the CDCU Director
Other counterpart staff:	Staff of NDPS, INAP, NDPEAC
Other key stakeholders:	Program Management Group; staff co-located with CDCU - UNOTIL, UNDP; Capacity Development Adviser in CDCU (UNDP position); staff of NDPS, INAP, NDPEAC; advisers working in the four key agencies, advisers working in other agencies employed under UNOTIL, UNDP, CBF; AusAID and other development partners
Duration:	60 months
Location:	CDCU, Dili
Languages:	Proficiency in English essential. At least one of Portuguese, Bahasa Indonesia or Tetum highly desirable. Willingness to participate in Tetum language classes as a requirement of contract.

Overall purpose of the position

The Activity Manager is responsible for facilitating the operations of the program to ensure that sound program planning and design processes are implemented and high quality activities and outputs are delivered under the program.

Key Objectives of the position:

1. To ensure that the 6 monthly workplan has sound activities and outputs which develop, over time, a coherent and integrate portfolio to achieve the program's mission and goals.

2. To build the capacity of counterpart agency staff in review and analysis of past performance and in planning skills for incremental improvements in proposals and plans presented to the PMG.

3. To prepare budget and financial reports on program expenditures for the PMG.

4. To identify priorities within the program's scope in association with counterpart staff for future PMG consideration and development.

5. To assist partner Agencies to develop Activity proposals, prepare TOR and Scope of Services for sub-contracting and manage implementation.

6. Provide logistical support, liaison and in-country deployment and management of sub-contractors.

7. To ensure counterpart institutions, Advisers, and activity implementers in preparation are able to prepare high quality reports on achievements (activities and outputs) of the program.

8. To maintain accurate and up-to-date information on program achievements and plans.

9. Where required at the direction of the Contractor, support the management and administration of ADS and other Adviser recruitment functions. (Note the Contractor may choose to fulfil this function in various ways other than through this position).

Skills required

1. A degree in a relevant field
2. Relevant experience in program and project management administration , including: activity design and planning, monitoring and reporting, contract administration, logistics and administration, and financial management and financial reporting.
3. Considerable experience in the preparation of Terms of Reference and sub-contracts, and in the mobilisation and ongoing support of expatriate and local personnel
4. Strong written and oral communication skills
5. Well developed inter-personal skills with an ability to: communicate effectively with others from different social, ethnic and cultural backgrounds, adapt to different cultures, and be a supportive member of a team
6. Demonstrated ability to adapt to a variety of institutional structures and cultures.

Personal attributes

It is essential that the job-holder can establish effective working relationships with the full range of key stakeholders, including senior government officials and national staff, and program officers and staff of development agencies. This requires qualities of genuineness of approach and integrity, in order to build mutual respect and trust. The likely personal attributes of such a person include:

1. Demonstrable capacity to work well with others, particularly peers in team settings and informal situations.
2. Able to work according to agreed principles and model the desirable behaviours, including openness, cooperation, a focus on the wider goals, and able to handle conflict appropriately and constructively
3. Sensitive to and able to act appropriately in the Timorese culture
4. Flexible, responsive, disciplined and patient.

Organisational Development Adviser

Reports to:	CDP Program Manager
Primary counterpart:	Nominated staff of the key counterpart agencies.
Other counterpart staff:	Heads of CDCU, NDPS, INAP, NDPEAC
Other key stakeholders:	Program Management Group; staff co-located with CDCU - UNOTIL, UNDP, Capacity Development Adviser in CDCU (UNDP position); staff of NDPS, INAP, NDPEAC; advisers working in the four key agencies, advisers working in other agencies employed under UNOTIL, UNDP, CBF; AusAID and other development partners
Duration:	24 months
Location:	CDCU, Dili
Languages:	Proficiency in English essential. At least one of Portuguese, Bahasa Indonesia or Tetum desirable. Willingness to participate in Tetum language classes as a requirement of contract.

Overall purpose of the position

The Organisational Development Adviser is responsible for building the capacity of key counterpart Agencies (particularly the CDCU and SIP-NDPEAC in the first instance, then NDPS and INAP), to utilise effectively the assistance provided by the Program, by working alongside them to strengthen the leadership, management, systems and processes for institutional planning, review and performance assessment by those Agencies.

Key Objectives of the position:

1. To establish effective relationships with the Heads and senior management of key counterpart Agencies in order to identify entry points for organisational development assistance.

2. To facilitate internal review and reflection on institutional systems and process improvements and provide high quality advice from a range of international best practice experience, in order to improve planning and review mechanisms of counterpart agencies.

3. To provide, as opportunities arise, mentoring in leadership and management for senior counterpart staff, and establish mechanisms for all program Advisers to adopt common and consistent approaches to organisational improvement issues, in order to improve leadership and management approaches of counterpart agencies.

4. To work alongside SIP-NDPEAC in the support of Sector Working Groups to implement and oversee the Sector Investment Plans, including the establishment of suitable methods and tools for the functioning of the SWGs and monitoring performance.

5. To provide advice to the Program Manager and Activity Manager on program design and planning to effectively address institutional and system issues, rather

than just individual training or capacity building needs, and to identify and design potential activities for program assistance.

6. To train and support a key counterpart agency staff person in each agency (particularly CDCU) in organisational development methods and tools.

7. To provide advice as called upon, to all Advisers and counterparts involved throughout the program on organisational development issues.

8. To work with other AusAID projects and programs, and other donors, to develop a body of good practice on organisational development in the East Timor context.

9. To work alongside the M&E specialist and Heads of counterpart agencies to institute effective mechanisms for annual review against corporate workplans as a basis for assessing changes to institutional capacity.

Note, that the ODA should be expected to prepare regular (monthly or quarterly) internal reports on activities undertaken, achievements noted, and critical issues arising. This would be a valuable source of MRG analysis, given that real organisational development and change occurs in dynamic, opportunistic and catalytic ways. Such reports would also be a basis for AusAID and PMG Contractor performance assessment.

Skills required
1. Comprehensive knowledge and skills in organisational development, team building approaches, cooperative working styles, and change management
2. Demonstrated experience in introducing organisational performance review and planning mechanisms in a relevant context.
3. Knowledge and skills in consulting, facilitation, mentoring and coaching, including a range of approaches according to individual styles and motivations

Personal attributes
It is essential that the job-holder can establish effective working relationships with the full range of key stakeholders, including senior government officials and national staff, and program officers and staff of development agencies. This requires qualities of genuineness of approach and integrity, in order to build mutual respect and trust. The likely personal attributes of such a person include:
1. Demonstrable commitment to building capacity of national staff
2. Able to work according to agreed principles and model the desirable behaviours, including openness, cooperation, a focus on the wider goals, and able to handle conflict appropriately and constructively
3. Sensitive to and able to act appropriately in the Timorese culture
4. Flexible, responsive, disciplined and patient.

Capacity Building and Training Adviser

Reports to:	CDP Program Manager
Primary counterpart:	Nominated staff of the CDCU.
Other counterpart staff:	Nominated staff of CDCU, NDPS, INAP, NDPEAC; Progam Advisers and their counterparts
Other key stakeholders:	Program Management Group; staff co-located with CDCU - UNOTIL, UNDP, Capacity Development Adviser in CDCU (UNDP position); staff of NDPS, INAP, NDPEAC; advisers working in the four key agencies, advisers working in other agencies employed under UNOTIL, UNDP, CBF; AusAID and other development partners
Duration:	60 months
Location:	CDCU, Dili
Languages:	Proficiency in English essential. At least one of Portuguese, Bahasa Indonesia or Tetum desirable. Willingness to participate in Tetum language classes as a requirement of contract.

Overall purpose of the position

The Capacity Building and Training Adviser is responsible for working with the CDCU and the program advisers to introduce consistent and coherent policies and processes for the coordination, planning, monitoring and evaluation of capacity building activities undertaken in East Timor.

Key Objectives of the position:

1. To work with the CDCU to ensure the implementation of consistent policies and processes for the coordination of capacity building across the public sector East Timor. This includes training, mentoring and working alongside key counterpart staff of the CDCU.

2. To support the CDCU in the implementation of policies and processes for capacity building coordination. This includes participating in (and facilitating where appropriate) key CDCU planning, monitoring and review events with other central and line Agencies, and working with other donors, and other projects and programs, to ensure the adoption of common policies and processes.

3. To advise and support the Advisers mobilised under the program to ensure that the Program adopts common and consistent approaches to capacity building throughout implementation. This includes ensuring that the program models the approaches to mentoring, leadership, management and decision making being advocated by the CDCU.

4. To ensure that the Programs strategy and workplans adopt appropriate approaches to capacity building and training. This includes identifying critical training and capacity building needs of key counterpart agencies (particularly INAP and NDPS), and participating in the design and planning of proposed activities.

5. To establish and maintain systems within CDCU, for the ongoing performance monitoring of call capacity building and training activities undertaken by GoET and donor programs and projects. This particularly includes monitoring systems for the quality, performance and achievements of Advisers (not just CDP Advisers) and collective and aggregate reporting on training activities (particularly through INAP, but also including establishing common curricula planning, reporting and evaluation systems for adoption by GoET, through CDCU or as determined). Note this may or may not include adopting competency based approaches or moving towards a national standards framework in various sectors.

Skills required

1. Experience working in capacity building related environments in governments in the developing world
2. Experience working in technical training and policy development in environments where skills levels are generally of a low level
3. Capacity to absorb basic technical issues across a wide range of disciplines
4. Demonstrated experience of working effectively with a team of international and local consultants
5. Excellent communication skills in a cross-cultural environment
6. Experience of developing, implementing and monitoring effective training and capacity building methodologies

Personal attributes

It is essential that the job-holder can establish effective working relationships with the full range of key stakeholders, including senior government officials and national staff, and program officers and staff of development agencies. This requires qualities of genuineness of approach and integrity, in order to build mutual respect and trust. The likely personal attributes of such a person include:

1. Demonstrable commitment to building capacity of national staff
2. Able to work according to agreed principles and model the desirable behaviours, including openness, cooperation, a focus on the wider goals, and able to handle conflict appropriately and constructively
3. Sensitive to and able to act appropriately in the Timorese culture
4. Flexible, responsive, disciplined and patient.

ADS Manager

Reports to:	CDP Program Manager
Primary counterpart:	
Other counterpart staff:	Nominated staff of CDCU, NDPS, INAP, NDPEAC; Progam Advisers and their counterparts
Other key stakeholders:	Program Management Group – ADS Committee; staff co-located with CDCU - UNOTIL, UNDP, Capacity Development Adviser in CDCU (UNDP position); staff of NDPS, INAP, NDPEAC; advisers working in the four key agencies, advisers working in other agencies employed under UNOTIL, UNDP, CBF; AusAID and other development partners
Duration:	60 months
Location:	CDCU, Dili
Languages:	Proficiency in English and Tetum essential. Portuguese or Bahasa Indonesia desirable.

The project manager is responsible for all day to day management and operation issues of the project. She/he will be required full time for the length of the project and will be required to develop and run the project processes and systems including the establishment of an appropriate office.

Duties and Responsibilities

- Manage and coordinate the delivery of the East Timor Australian Development Scholarships Project (ETADSP) as detailed in the Scope of Services, on time and within budget.
- Support the Project Director in the development of the Annual Training Strategy.
- Review the existing ADS promotion and selection processes and draft new strategies in line with the ATS, for approval by the PCC.
- Revise and develop the Project administrative systems and ADS documentation.
- Develop a strategy for efficiently disseminating information about tertiary courses in Australia.
- Manage the ADS cycle of activities including promotion, selection, English Language training and mobilisation.
- Work closely with all Project counterparts and staff to coordinate the effective implementation of the ADS Project and jointly resolve day-to-day Project related problems and issues.
- Maintain close liaison with AusAID at the Post in Dili.
- Prepare key documents, studies and reports relating to ADS in consultation with the Project Director, including Annual Plans, Progress Reports, ADS Calendar of Key Dates and ADS Statistical Report.
- Organise and carry out all alumni activities.
- Support the Project Director in implementing the M&E framework, including collecting and analysing data.
- Ensure that all data is entered into SIMON in a timely and accurate manner.

- Develop and maintain other databases required for the effective analysis of information collected from the M&E framework that supports the delivery of the project.

Experience and qualifications:

Essential
- Undergraduate degree (Post graduate preferred) in a relevant field.
- Extensive experience working with bilateral donor agencies.
- Understanding of the Tertiary Education System in Australia.
- Fluency in English and Tetum.
- Excellent report writing and communication skills.
- Financial and administrative / documentation management experience.
- High level computer literacy including MS office and database applications.
- Understanding of Project management including monitoring and evaluation.
- Capacity to implement the Project according to AusAID procedures and requirements.
- Ability to work with a range of stakeholders including local and international organizations, government authorities etc.

Desirable
- Knowledge and experience of AusAID requirements and procedures
- Experience in teaching English as a second language.
- Experience in IELTS and ISAT testing.
- Knowledge and experience in human resource capacity development.

Monitoring and Evaluation Specialist

Reports to:	Program Manager
Primary counterpart:	Nominated staff of the key counterpart agencies.
Other counterpart staff:	Nominated staff of CDCU, NDPS, INAP, NDPEAC
Other key stakeholders:	Program Management Group; staff co-located with CDCU - UNOTIL, UNDP, Capacity Development Adviser in CDCU (UNDP position); staff of NDPS, INAP, NDPEAC; advisers working in the four key agencies, advisers working in other agencies employed under UNOTIL, UNDP, CBF; AusAID and other development partners
Duration:	2 months initially, then 1 month per year.
Location:	CDCU, Dili
Languages:	Proficiency in English essential.

Overall purpose of the position

The Monitoring and Evaluation Specialist is responsible for working with the counterpart Agencies and Program team for further developing the Performance Assessment Framework to ensure that continuous improvement processes are instituted, and that systems for reporting and assessment of deliverables and outcomes are established.

Key Objectives of the position:

1. To develop and refine the PAF concept paper, particularly including identifying appropriate indicators for data collection and reporting for each of the direct and indirect outcomes in line with current practice and plans of GoET agencies, and other donors and projects.

2. To work alongside the key counterpart Agencies (and Program Advisers) to establish mechanisms for organisational performance assessment (particularly of changing capacity, and institutional performance against annual planning).

3. To analyse current mechanisms for GoET reporting of performance in service delivery, and the planned reviews and evaluations of other donors, other AusAID projects, to ensure that sufficient evidence will be available for analysis by the program Monitoring and Review Group on higher level indirect outcomes. This includes contributing advice as appropriate to those other Agencies and donors responsible for M&E of relevant areas.

4. To develop and establish the standardised planning and reporting formats for use by the Program, particularly the Annual Strategy Review and Plan, the 6 monthly workplan, the PMG agenda and minutes (and SWG agenda and minutes) as well as basic achievement reporting of the program's activities (including working with the CDCU, ODA and CBTA on standardised system for monitoring of Adviser performance).

5. To support the development of the Terms of Reference and methodology for the MRG visits, particularly by responding to draft methodology prepared by the MRG Team Leader and AusAID, in light of available evidence and current practice of Agencies in East Timor.

Skills required

1. Higher degree training and qualifications in social research or related fields.
2. Experience developing monitoring and evaluation plans based on Partner Government systems and processes
3. Demonstrated ability to work within the practice and constraints of counterpart capacities, and experience to bring about incremental improvement in performance assessment and reporting.
4. Experience working with international donors on M&E issues and capability to represent complex methodological and technical approaches to a diverse range of audiences.
5. Outstanding written and oral communication skills

Personal attributes

It is essential that the job-holder can establish effective working relationships with the full range of key stakeholders, including senior government officials and national staff, and program officers and staff of development agencies. This requires qualities of genuineness of approach and integrity, in order to build mutual respect and trust. The likely personal attributes of such a person include:

1. Demonstrable commitment to building capacity of national staff
2. Able to work according to agreed principles and model the desirable behaviours, including openness, cooperation, a focus on the wider goals, and able to handle conflict appropriately and constructively
3. Sensitive to and able to act appropriately in the Timorese culture
4. Flexible, responsive, disciplined and patient.

Annex 10 – Performance Assessment Framework

East Timor Public Sector Capacity Development Program
Executive Summary
November 2005

The Performance Assessment Framework (PAF) for this program is based on the analysis of monitoring information available from existing or planned GoET systems and processes of line and central agencies. The PAF aims to provide ongoing information for good decision making within the Program, and to assess the impact the Program has made in building capacity in East Timor public sector management.

Primary monitoring

Primary monitoring will be undertaken by GoET central and line agencies in the normal course of their work, utilising their own systems and processes. In many cases, the Program will be called upon to assist these agencies in the development of their monitoring function, including the provision of TA, training and other capacity building inputs. The purpose of this monitoring is for GoET agencies themselves to monitor their own performance against their own plans and goals, and Government priorities and policies. In addition, the CDP Managing Contractor will undertake primary monitoring of their own performance in implementation, and program status.

GoET participating and benefiting agencies are expected to utilise mechanisms (whether existing, supported by the CDP, or supported by other donors) for the monitoring of:
- Services delivered by line agencies (health, education, finance, etc)
- National development plan implementation
- Effectiveness of the SIP processes
- Implementation of the Public Sector Management SIP
- Coordination and quality of capacity building support provided by CDCU
- Institutional capacity of key counterpart institutions (CDCU, NDPS, INAP, SIU/NDPEAC)
- Donor coordination and complementarity

The PMG is expected to monitor:
- Flexibility and responsiveness to changing circumstances
- Contractor performance

The Contractor is expected to monitor:
- Quality and immediate achievements of program activities
- Scholarship benefits
- Quality and performance of Advisers working in ET

Secondary analysis

The major benefit of strengthening government agencies to monitor their own performance is that this information provides the basis for the Program to analyse the extent of the contribution it has made to building capacity in East Timor.

The program will utilise two mechanisms for this analysis: the ongoing Program Management Group (PMG) made up of GoET and AusAID officials, and a Monitoring and Review Group (MRG) made up of independent specialists contracted by AusAID.

The PMG will meet on a monthly (or as needed basis) to determine future funding and activity priorities under the Program, and will conduct an ongoing assessment of progress, lessons and achievements through information (formal and informal) available to PMG members from participating agencies and the Managing Contractor.

The MRG will conduct a more formal six monthly analysis of information available from GoET line and central agencies, and from the Managing Contractor and the PMG. The MRG will utilise an open-ended approach to enquiry to investigate the impact that the program as had in the changing environment, utilising techniques such as literature reviews, document reviews, key informant interviews, focus groups and observation. The MRG is asked to assess the extent and value of the contribution the Program has made to capacity building, and so requires information available to it of the Program's activities, as well as the environment, all of which will be provided by mechanisms established for primary monitoring.

East Timor Public Sector Capacity Development Program

Performance Assessment Framework

Concept Paper
November 2005

Introduction

The East Timor Public Sector Capacity Development Program is a proposed ten year program of assistance, with an initially contracted period of five years. The goal for the program is: "a sustainable and effective system of governance and public administration for the delivery of high quality public services". The mission of the Program is: "to strengthen capacity building institutions and processes to build individual and institutional public sector capacity in East Timor". The program will have an Annual Strategy Review and Plan, with rolling six monthly workplans. The Program will be overseen by a joint AusAID/GoET Program Management Group meeting monthly.

The proposed Performance Assessment Framework (PAF) provides a set of tools and methods to address the critical monitoring and evaluation questions that AusAID is interested in, based on the unique features of the program design.

Implications for M&E of principles and design features

The proposed CDP Performance Assessment Framework (PAF) reflects the key principles and strategies of the program which have immediate implications for the appropriate approach to monitoring and evaluation. The principles and strategies have lead to a set of critical design features, or attributes, which in turn, themselves have significant implications for the approach and methodology appropriate for the monitoring and evaluation.

The design adopted the following key principles and strategies:
- (a) The importance of working within Government systems and policies, thus tying assistance to the SIP processes and mandates of key institutions. The emphasis in the PAF is thus on strengthening self-assessment and reporting processes within Government, rather than establishing program-specific monitoring and evaluation indicators and processes.
- (b) The recognition that capacity building – in line with the Three Pillars – is needed at an individual, institutional and enabling environment level to be most effective; thus the program supports initiatives which address multiple levels and has a range of different types of outcomes, rather than focus on a simple cause and effect hierarchy. The PAF therefore emphasises an assessment of the differential benefits across multiple forms of data, rather than a measurement of narrow anticipated or planned indicators.
- (c) Sustainable capacity building derives from strong local ownership and involvement in policy setting and decision making; thus utilising the PSM SWG as a critical decision making body for assistance, and

involving PG officials in all key decision making steps (through the Program Management Group). The PAF thus draws on internal processes of self-assessment as a basis for analysis of the effectiveness of the program.

(d)   The desirability of developing a greater focus on key institutions and programs, yet maintaining flexibility to adapt to a dynamic context; and so the design incorporates mechanisms for rolling planning within defined parameters. This means that the PAF must be able to account for the unexpected and for new directions, rather than anticipate a narrow set of indicators, to be meaningful.

(e)   The recognition that capacity building is not an end in itself or a stand-alone project, but a means for improving performance of institutions and services and that capacity building directly complements other assistance provided by other AusAID projects and other donors. Thus the PAF includes sophisticated processes of analysis of a multiple range of direct and indirect benefits, rather than attempting to define and measure 'capacity building' in and of itself.

These principles and strategies (with attendant M&E implications) have led to particular features of the Design Framework which suggest that the Logframe approach to design was inappropriate:

(i)   Each individual activity or output implemented under the program may have one primary result but, as is usually the case with capacity building activities, will often have multiple effects. For instance, any training event will have direct individual, institutional and system-wide benefits which cannot be regarded in linear cause and effect hierarchy.

(ii)   The proposed assistance will complement, coordinate and support GoET and other donor inputs and activities in implementing their own SIP processes, capacity building plans, and service delivery, rather than act as a stand-alone project with one simple clear result. In this way CDP contributes towards a wide range of outcomes and impacts, rather than causing them. The PAF needs to draw on the wide range of evidence available about capacity improvements across the public sector in East Timor and then analyse the extent to which the CDP contributed effectively to those changes.

Logframe and Indicators

The underlying approach to monitoring and evaluation of the project-based Logframe approach is based upon some fundamental concepts, which are not consistent with the approach to the design of the CDP.

(i)   The purpose sentence of a Logframe is a statement of the direct intended result of the necessary and sufficient activities and outputs of the program. In the CDP case, the purpose of the Program is common to a range of other donor assistance and the GoET itself, and is not specific or unique to the CDP activities. Thus a direct measure of the 'purpose' statement would not be a reflection of the effectiveness of the program in itself. The term 'Mission statement' is used to reflect this difference.

(ii)   A Logframe reflects the cause and effect hierarchy of the activities and outputs towards the goal. the CDP case, the activities all have direct multiple benefits (at individual, institutional and system levels). Futhermore, the activities and outputs have not yet been developed, because of the rolling nature of planning, and of design.   The 'Mission Statement' must be sufficiently broad to capture the scope of assistance that may be provided, which means that narrow simple indicators are more difficult, and inappropriate, to develop.

(iii)   The use of indicators in a Logframe is also based on some certainty and predicability of anticipated outcomes, whereas the CDP is intended to be flexible (within a broad scope). Moreover, indicators only allow the measurement of a narrow set of data, whereas because the CDP is flexible, an open-ended enquiry approach is required to capture the real changes that may occur, either anticipated or not, positive or negative.

(iv)   The Logframe is utilised as a stand-alone project, where the external influences are minimal or can be managed. The CDP is designed as an activity which supports and enhances a range of other donor assistance and AusAID projects, and has a contributory impact towards the results and outcomes of those other activities. An indicators based M&E system which uses Logframe statements would not reflect the analysis required to understand the linkages and impacts of CDP across donor assistance in East Timor. A Logframe would also focus on the CDP specific results which normally requires 'project specific' indicators and methods, whereas CDP is intending to strengthen GoET performance measurement systems which must inherently be designed for their own purposes, not for project-specific purposes.

Summary of the program logic

Rather than a direct cause and effect program logic in a controlled or manageable environment where outcomes can be predicted; the program logic for the CDP can be summarised as: a series of separate 'strategic' interventions, which have a broad range of direct and indirect results which support existing GoET and AusAID program objectives, and which become more interdependent to create focused outcomes on institutional performance of key agencies and GoET processes in ways which cannot be predetermined but emerge over time.   Key aspects which are anticipated to lead to program success include flexibility and responsiveness to a changing context, working collaboratively with other donors, and leveraging other AusAID project and other donor support to be more effective. There are critical elements to this overall hypothesis which need to be constantly tested in the performance framework to determine the extent to which the program was 'successful' and why.

An Alternative Approach

To address this program logic, an alternative approach to the Logframe is required. This is strongly supported in the M&E literature and in the practice of donors[36]. It has the following features:

(i)   Has a strong emphasis on analysis, rather than data collection, emphasising 'dynamic complexity' rather than 'detail complexity';[37]

(ii)   Is open-ended in its enquiry, rather than using closed questions or narrowly focused indicators; [38]

(iii)   Takes account of the externalities as a key element of the analysis;

(iv)   Aligns performance measurement and analysis methods with those responsible for ongoing management, as a means to promote continuous improvement.[39]

The proposed PAF aims to adopt these conceptual approaches in order to address a specific range of 'research' questions about program performance relevant to the interests of AusAID and other participating stakeholders.

Purpose of Monitoring and Evaluation

Monitoring and evaluation generically has two important, but separate purposes: *accountability*, and *learning*.   For the purposes of accountability, AusAID, as the donor, and other stakeholders are particularly interested the efficiency, effectiveness and impact of the program. This if often akin to an 'audit' type function of assessing performance against plans or external 'standards' which utilises 'objective' type methods and tools for assessment..   For the purposes of learning, stakeholders and implementers are interested in identifying lessons learned, changes to the context, and promoting continuous improvement. This is usually associated with internal subjective processes of review and analysis for decision makers to make ongoing improvements to performance in a timely manner. There is an enormous range of tools, methods and approaches which may be drawn from in developing a monitoring and evaluation system which addresses the needs and priorities of different stakeholders to a greater or lesser extent.

The performance framework for this program thus requires a 'research design' or overall methodology, rather than a simple set of indicators and reporting

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[36] The key concepts of this approach to M&E, and emphasising the use of information rather than collection of data is drawn from Booth, D. and Lucas, H. "Good Practice in the Development of PRSP Indicators and Monitoring Systems", ODI, Working Paper 172, July 2002. Refer also to AusAID, "Lessons Learned from New Forms of Aid" November 2004, Annex 4.

37 Refer to Saltmarshe, D, Ireland, M. and McGregor, J. A. "The Performance Framework: A systems approach to understanding performance management", Public Administration and Development, 23, 445-456 (2003), page 453.

[38] An example of a technique which adopts this approach is appreciative inquiry which "has been used with great success to find local solutions, locate excellence in organisational culture, and build coalitions on the basis of past success" Krueger, R.a. et al "Social Analysis, Selected Tools and Techniques", *Social Development Papers*, Paper No., 36, June 200, p 2.

39 Saltmarshe, D, et al (ibid page 451) argue that a key element in the management of any organisation is the quality and alignment of relationships between management strata, particularly in relation to performance, and in creating a performance ethos.

requirements. A well-designed research methodology consists of: key research questions; tools and methods (processes) for data collection; tools and methods for analysis; reporting and documentation requirements, and clear articulation of roles and responsibilities. Any research methodology must be justified according to social science research standards for reliability, validity, verifiability, and usefulness.

In order to guide the development of a practical and useful PAF, a set of specific 'research' questions is proposed which refine and narrow the purposes of M&E for this program in order to suitable tools and methods to be developed. It is strongly recommended that this set of research (or M&E) questions be the subject of intensive consultation and 'buy in' during the inception phase of the program, as they direct the structure of the PAF and roles and responsibilities for data collection and analysis.

Key question 1: What was the extent and quality of what the program delivered?

Key question 2: What changes are taking place in the areas that program is intending to influence?

Key question 3: What is the significance and value of contribution that the program is making to the changes that are taking place?

The Performance Assessment Framework

In order to address these questions, the proposed PAF utilises the idea of 'primary' and 'secondary' monitoring of these three questions.

The notion of 'primary' monitoring, is that the institutions directly responsible and involved in implementation undertakes their own monitoring of the relevant inputs, outputs and outcomes, in order to continuous improvement to take place. This adopts internal, self-assessment, subjective processes of data collection and analysis, incorporating both quantitative and qualitative data.

The notion of 'secondary' monitoring involves a further analysis of information that is available from institutions who have undertaken primary monitoring, with additional data collection and analysis for verification. This adopts external, 'objective' methods, but also incorporates quantitative and qualitative data.

The methodology may be represented conceptually as:

PAF - Conceptual Framework

Research questions	Primary monitoring methods and tools	Characteristics of methods and tools	Secondary monitoring methods and tools	Characteristics of methods and tools
Key question 1: What was the extent and quality of what the program delivered?	Self-reporting by implementers	Qualitiative and quantitative; inputs and outputs focused; data collection focused,	Verification by independent review (stakeholders, donor, independent observers)	Qualitative and quantitative, outputs focused, objective/impartial, analysis focused
Key question 2: What changes are taking place in the areas that program is intending to influence?	Self-assessment by relevant institutions	Specifically designed tools supported by program where necessary; improving quality of data and analysis over time	Supplementary and complementary methods to those used for primary monitoring (by stakeholders, donor, independent observers)	Qualitiative and quantitative, outcomes focused, objective/impartial, analysis focused
Key question 3: What is the significance and value of contribution that the program making to the changes that are place?	Participatory processes for joint analysis by GoTL and GoA	Utilise program management structures for continuous improvement and recording of ongoing analysis	Additional tools for data collection and analysis by impartial/independent observers	Qualitative analysis using participatory and stakeholder involvement

In applying the conceptual framework to the program, the PAF is represented as a outputs to outcomes hierarchy (with key process linkages) in the attached spreadsheet, as a way of showing the direct and indirect outcomes to which the program will contribute, and to identify key elements of the program logic (or hypothesis) which require monitoring to address the key research questions.[40] Each aspect of this program logic summary has identified the primary monitoring roles and responsibilities and indicative methods and tools for data collection and analysis. The role and responsibility for secondary analysis, and tools for analysis and reporting are also identified.

The tools and methods themselves can be categorised as internal institutional processes which agencies/implementers are already expected to use or are using for their own purposes, and program specific tools introduced because of the program itself. As far as possible, existing processes and mechanisms are utilised. In the majority of cases, the CDP will undertake activities which support and strengthen the GoET's capacity to fulfil their existing responsibilities and commitments. This not only provides good M&E, but promotes continuous improvement through regular review and planning mechanisms within Government institutions themselves. Additional processes are only introduced for the Contractor reporting requirements, the Program Management Group, and the Monitoring and Review Group (which are explained in detail following).

Primary monitoring

Each of the dimensions of the program logic summary is discussed below in relation to the primary monitoring responsibility, and tools and methods which will be adopted. Note that the information and documentation arising from this primary monitoring is then available for analysis by the secondary monitoring processes (of

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[40] The hierarchy is not a strict cause and effect hierarchy as in a logframe, but a series of increasing indirect outcomes to which the program contributes, with key elements of the 'process' by which the program is expected to achieve positive benefits also identified. It is merely a convenient way to represent various dimensions of the program which require primary monitoring, in order for secondary analysis to take place meaningfully to address the key research questions.

the PMG and MRG) to address the critical third key question of the PAF methodology.

A. Immediate achievement and quality of program activities

The Contractor will be responsible for ongoing program progress reporting. They should develop and maintain a system for recording outputs and objectives of approved Workplans, and include standardised reporting formats for different activity types, such as the work of Advisers (reporting against TOR), technical assistance outputs, training programs, direct financial support, projects, volunteer and other modalities[41]; and for monitoring quality and performance. This should be summarised in an accessible format for the PMG on a regular basis (quarterly, or to be agreed) but be available on an ongoing basis. The standardised formats for Workplans and for reporting on outputs and achievements of different program modalities should be included in the Program Operations Handbook. The tools to be utilised for monitoring include self-reporting from implementers (advisers and program staff); observation and visits to counterparts; and formal and informal feedback from counterpart agencies on progress. Additional tools for reporting on achievements of some modalities (such as sub-projects) may also be required. Recording on ongoing progress will be through a database or other manual system proposed by the Contractor in the POH; and a synthesised summary in accordance with the corporate requirements of AusAID in the SMT.

B. Contractor Performance

The Program Management Group and the AusAID Activity Manager will be responsible for monitoring contractor performance. The PMG will contain representatives of key agencies and participants and will be in a good position to comment on Contractor performance in an ongoing way and make recommendations for changes in approach which may be required. The AusAID nominee at the PMG should take note of comments and feedback on Contractor performance and utilise such information in annual Contractor Performance Reviews in the standard manner required by AusAID. It is recommended that the PMG identify critical Contractor Performance criteria during the inception phase, and include this as an agenda item on a periodic basis, so that a substantive discussion in held (normally without Contractor attendance). The methods and tools to be used include: direct observation of behaviour and performance in the course of implementation by assessors; review of documentation and reporting provided by Contractor; PMG group reflection/discussion on performance standards as an agenda item of regular meetings. The recording of Contractor Performance will be through the minutes of PMG meetings and AusAID CPR forms annually.

Quality and Performance of Advisers working in East Timor.

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[41] Note that scholarships is addressed as a separate dimension of the PAF

The CDCU will be responsible for monitoring the quality and performance of Advisers working in East Timor. This includes all Advisers supported by the UN system, other donors, and other projects. The CDCU carries the mandate for overseeing the use of external technical assistance, and is already introducing some performance monitoring system for assessing capacity building outcomes across the public service. The program will provide support to the CDCU to establish the appropriate tools and process for this ongoing monitoring, which is likely to include: review of outputs against TOR; assessment by counterparts/supervisors and key stakeholders; and exit interviews. The CDCU (with program support) will develop a system of annual reporting to the Government (and external stakeholders) on the performance of advisers in capacity building across the public service. This may be in the form of a rating or scorecard, or may be in the form of a qualitative narrative. Support to this process is a key function of the Program's ODA.

C. Scholarship benefits

The Contractor will be responsible for ongoing progress reporting and benefits analysis of the scholarship program. Specific reporting requirements include:
- Preparing an Annual Training Strategy, and an annual Audit of scholar portfolio (to demonstrate conformance with strategy) – presented to ADS PCC
- Including Annual Plan for ADS, as part of the CDP ASRP
- Preparing a progress report to the ADS PCC for the period
- Conducting post ELT IELTS tests for individuals prior to mobilisation to course of study in Australia; and reporting results of ELT tests in PCC reports
- Conducting an annual Tracer Study on awardees who have returned, incorporating an annual survey of employers and host organisations on benefits
- Conducting a process audit of compliance with ADS Operations Manual and AusAID requirements (reported in annual report to ADS PCC)
- Preparing an Annual Selection Report (for ADS PCC)
- Preparing Annual Student Progress Report and an Annual ADS Statistics Report (for ADS PCC)
- Preparing a Project Completion Report on ADS as part of the overall CDP PCR.

In addition, as part of the ongoing reporting on CDP to the PMG, the Contractor should provide a brief analysis on an annual basis of the linkage and complementarity between the ADS component and the broader CDP program.

D. Donor Coordination and complementarity

The PSM Sector Working Group will be responsible for monitoring donor coordination and complementarity as one of the key functions of the group itself. The Contractor will work with the SIP-NDPEAC to ensure that the

process and agenda for SWGs include an analysis by the representatives of donor investments, and that minutes of the SWGs record the analysis discussed. The methods and tools for this analysis will be: assessment by interested and informed members of the SWG. Recording will be in the SWG minutes. AusAID will also undertake monitoring of donor complementarity through participation in the SWG and in donor and other stakeholder forums, and bring this analysis to meeting of the PMG, where further discussion can be recorded in PMG minutes.

E. Flexibility and responsiveness to changing needs

The PMG will be responsible for the monitoring of the changing context and priorities of the GoET in relation to assistance provided by the program. The tools and methods will include: discussion by informed members of the PMG on the proposed 6 monthly workplan; formal and informal discussions with other Government agencies and external stakeholders on the context; review of program performance and lesson learned in setting future priorities. Recording of the analysis will be in the PMG minutes. AusAID and the Contractor should work with the PMG members to ensure that the agenda, process and minutes of the PMG reflect discussion on this key issue.

F. Institutional Capacity of key counterpart institutions

The key counterpart agencies, the CDCU, NDPS, INAP, SIU/NDPEAC, will be the agencies most directly impacted by the program, although their institutional capacity will also be affected by a range of other programs and other donors, as well as the efforts of the GoET itself. The CDCU in particular, is not only a 'beneficiary' of the program, but an implementer, with responsibilities for overseeing capacity building across the public service. The GoET already has nascent systems for institutions to monitor their performance. The most basic is the Annual Activity Plan requirement, where agencies make plans in order to access central budget allocation. The indicators of performance and reporting against AAPs are rudimentary. A key responsibility of the key personnel of the program will be to support and strengthen the internal performance assessment processes of the key counterpart agencies. However, the responsibility for monitoring institutional capacity and performance will remain with the agencies themselves, and they will be expected to report internally using whatever data collection, analysis and reporting processes they have in place, which will incrementally improve over time with program support. The methods that agencies would be expected to adopt for assessing their own capacity and performance would include a selection or combination of: reporting achievements against plans and budget; customer/client/stakeholder satisfaction measures; internal management reviews and analysis; and service delivery outcome measures. The recording of these assessments will be made by the counterpart agencies as part of their own parliamentary or internal Government reporting requirements, and copies would be made available to the program for secondary analysis.

G. Coordination and quality of capacity building support provided by GoET.

One of the key functions of the CDCU under its new mandate is to oversee capacity building provided to GoET central and line agencies. Capacity building support is generated from a range of donors and NGOs, as well as GoET own efforts. To date there has been a heavy reliance on external advisers to fulfil line management and support functions of Government, which is expected to decline over time. The CDCU is required to establish a system for monitoring the quality and effectiveness of capacity building support. The key personnel of the program, particularly the ODA, will have responsibility to support the CDCU to establish such a system, while the CDCU will retain responsibility for the monitoring and reporting on capacity building assistance for internal GoET purposes. This analysis will be useful to a range of donors and other stakeholders, as well as the CDP program. Methods and tools which are expected to be utilised include a selection or combination of: establishing a database of advisers and functions across the public service[42]; standardising TOR and selection procedures; establishing a supervisor/counterpart performance appraisal system; establishing a common framework for reporting capacity building outputs and effectiveness; undertaking regular agency visits and undertaking focus group discussions and interviews with counterparts; and establishing briefing and debriefing interviews. An analysis of information available on capacity building effectiveness should be conducted each year and synthesised in an Annual Report by the CDCU for the GoET, and provided to interested stakeholders.

H. Implementation of the Public Sector Management SIP

The Public Sector Management Working Group's main function is to oversee the implementation of the PSM Sector Investment Plan. As part of this function, review and analysis of the implementation of the plan will be required. The SIP Implementation Unit of NDPEAC has been tasked with the responsibility of supporting the various SWGs with tools for the monitoring of SIP progress and reporting to Government. The program key personnel will work with SIU/NDPEAC to establish the necessary tools and process, which will be essentially enabling the SWGs to be established with membership, frequency of meetings, and appropriate agenda and minuting, to ensure that review of progress is undertaken and recorded appropriately. This may include provision of TA to various SWGs for independent analysis of aspects of the SIPs to be undertaken and provided to the SWGs. The PSM SWG will meet regularly and review the SIP implementation. This will be recorded in the minutes, and any additional supporting documentation will also be provided to the SWG members, of which AusAID is a member.

I. Effectiveness of the SIP processes

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[42] Note that this is also one of the projects of the PSM SIP – Code 15040, and is being partially supported by an existing donor.

Apart from enabling the PSM SWG to monitoring their own SIP, SIU/NDPEAC is tasked with overseeing the government management processes across the 17 Sector Investment Plans. SIU/NDPEAC will work with the SWGs to establish appropriate operating and reporting procedures for the SWGs, and then conduct ongoing monitoring of the 17 SIP SWGs. This ongoing monitoring will be recorded by the SIU/NDPEAC for their internal government use, and be made available to the program for later analysis. It is anticipated that SIU/NDPEAC will draw on additional technical assistance to undertake this monitoring and analysis. This may be an activity proposal that could be considered for funding under the CDP program.

J. Implementation of the National Development Plan

The activities of the CDP program have both a direct and indirect link to the implementation of the National Development Plan. Capacity building itself is a critical feature of the NDP, as is the implementation of Sector Investment Plans. One of the projects of the PSM SIP is to undertake an evaluation of the NDP (page 65) which currently covers the period 2002-2007 and to develop the new NDP from 2007 forwards. This evaluation and plan will provide a rich source of information and analysis for the CDP program as a basis to assess its direct and indirect contribution in the light of the efforts of other donors, changes in context and priorities of the GoET. The MoPF is responsible for the NDP, although the PSM SIP will have a role in ensuring that funds are allocated to the evaluation and planning process. Consideration should be given by the CDP to providing assistance in this area, as both a capacity building activities and a supporting M&E function. The evaluation (or review) of the NDP is envisaged as an extensive process, which will utilise a range of tools and methods, including: document and literature review; interviews and focus group discussions with key informants; client and customer satisfaction surveys; household and community surveys; institutional analysis; political, policy and legislative review. A comprehensive report is expected to be produced. It is highly likely that the GoET will utilise external advisers to support this review and documentation process.

K. Services delivered by GoET line agencies

Capacity building support provided by the CDP will both directly and indirectly support improvements in services provided by GoET line agencies. Each line agency (particularly those in sectors supported by AusAID – health, education, law and justice, finance, education) are required to provide annual reports to the GoET and their relevant SWG against their Annual Activity Plan (which is the guiding budgetary allocation document). In addition, other donors and other AusAID projects undertake evaluations, studies and analysis of service delivery which are of relevance to the CDP. Each line agency will retain responsibility for monitoring their service delivery performance and reporting internally to Government. These documents are often available to other donors and interested stakeholders. This will provide a rich source of information from which secondary analysis can be undertaken by the program.

The Contractor should work with key counterparts (CDCU and SIU/NDPEAC in particular) to make such information available to the program (including the PMG and MRG).

L. AusAID Country Strategy Goal and Objectives

AusAID has a well developed country strategy and monitoring framework. AusAID is required to undertake a country-level performance review annually. In this case, this will provide an important source of information on changing context and priorities, aid effectiveness, and other donor activity, which will enable a secondary analysis of the program's contribution to be undertaken. AusAID utilises a range of tools and methods to undertake the review, including: document and literature review; informal and formal interviews and discussions with key informants; PCRs and evaluation studies; multilateral and international organisation reporting; and GoET information. AusAID will retain responsibility for undertaking their annual country level review, and for making relevant sections of the document available to the PMG and MRG.

Secondary Monitoring

The primary monitoring mechanisms outlined above, provide a wide range of information and analysis which address the key questions 1 and 2: what is the program doing, and what changes are taking place in the context. The mechanisms established for secondary monitoring, which include the Program Management Group meetings, and the six monthly Monitoring and Review Group visits, address the third key question: what is the significance and value of the contribution the program has made to the changes taking place.

The PMG undertakes this function in an ongoing, learning, continuous improvement mode through the course of its deliberations over 6 monthly workplans and funding proposals. The agenda, process and recording of PMG meetings should reflect that the PMG is utilising and analysing information provided to it from a range of sources (including the Contractor and key counterpart agencies) and the PMG both verifies and analyses that information in its decision making. Critical analysis and critique undertaken by the PMG should be recorded in the minutes so that the valuable 'real time' analysis is not lost to the more formal analysis of the contribution question.

The Monitoring and Review Group, commissioned by AusAID, is the mechanism established to provide a more rigorous analysis of the performance of the program. While the MRG focuses on key question 3, it also performs a verification function of contractor performance and direct and indirect outcome reporting provided by the primary monitoring mechanisms.

The MRG will visit East Timor on a six monthly basis. The purpose of the MRG visit is to
(i)   Assess the impact of the program through an analysis of available primary monitoring information provided, including a review of contextual information, published literature and documentation of other donors, and consultation with key stakeholders.

(ii)   Assess the efficiency, effectiveness and quality of the program in delivering assistance (inputs, outputs and immediate achievements) through verification of program prepared documentation (ASRP and reporting).

(v)   Assess contractor performance, through a combination of effectiveness and quality performance measures and contract compliance. This assessment will also include performance of any additional adviser-related services contracted by AusAID for projects outside CDP.

The MRG will comprise:
- M&E specialist (1 month per year in addition to mobilisation inputs)
- Organisation development / capacity building specialist (1 month per year)
- AusAID nominee (normally the Activity Manager, or AusAID Canberra Adviser)
- GoET nominee.

The MRG will utilise the ongoing monitoring evidence gathered by key agencies and participants in the program, in order to undertake an analysis of the contribution and value of the CDP. The methodology will by underpinned by critical M&E theory relating to:
- Contribution analysis[43]
- Appreciative enquiry[44]
- Qualitative assessment and continuous improvement.[45]

The specific tools and methods to be utilised by the MRG include:
- Documentation analysis of primary monitoring reporting
- Observation, interviews and focus group discussions with key counterpart agencies and stakeholders (to verify information and analysis provided)
- Supplementary investigation into changes in the context and relevance and impact of the CDP (through a combination of institutional analysis; surveys; informal observation; stakeholder consultation which may change from visit to visit)
- Use of a formal 'contribution analysis' structure to postulate findings and conclusions, and test their veracity with Government and stakeholders.

A detailed TOR for the MRG is attached.

Additional monitoring and evaluation mechanisms

In addition to the program specific mechanisms, the program may also use of the following mechanisms, at the direction of the PMG:
- Specifically commissioned research, into areas critical for capacity building effectiveness or public sector management improvement, which may be of benefit to GoET agencies, AusAID and other donors, as well as for program monitoring
- Participation in or support to other donor evaluations and reviews, particularly for related projects and programs which complement the work of the program.

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[43] Refer to John Mayne, "Assessing attribution through Contribution Analysis", National Audit Office of Canada, 1999. Refer also to AusAID, 2004, "Lessons Learned from New Forms of Aid", Annex 4.

[44] Refer to *The World Bank Participation Sourcebook*, (Washington, D.C.: 1996); and to *The Thin Book of Appreciative Inquiry* (Plano, Tex: This Book Publishing Company, 1996).

[45] Saltmarshe, D, Ireland, M. and McGregor, J. A. "The Performance Framework: A systems approach to understanding performance management", Public Administration and Development, 23, 445-456 (2003)

Justification of reliability, validity, verifiability and usefulness

They key standard for any research design is the robustness of the methodology against social science standards for reliability, validity, verifiability and usefulness. Any research design can be critiqued against these dimensions, and no methodology will meet an absolute test at any cost. In other words, the robustness of the approach is moderated by competing demands for cost efficiency, timeliness and usefulness. In this particular PAF, the approach can be justified in the following manner:

- **Reliability**: the original sources of data for analysis throughout the PAF rely on self-reporting by interested parties in their own progress and performance. The concerns over the reliability, or accuracy, of the information, is traded off against the inherent value of individuals and agencies developing their own systems for performance monitoring, rather than relying on external agents at higher cost, and on the benefits of promoting a reflective and learning culture. Agencies are also responsible to a range of other stakeholders, in particular their own Government and taxpayers in East Timor, which provided in in-built incentive towards honesty and accuracy in reporting, which can be easily exposed. To offset concerns about reliability, mechanisms have been established for verification of the data and analysis provided by those responsible for primary monitoring.
- *Validity*: is concerned with the robustness of the analysis and findings that are provided in reporting about conclusions reached. Generally validity for qualitative assessments is strengthened through triangulation – using multiple sources of data and multiple methods for analysis. In all elements of this PAF, there are at least two sources and two methods for analysis against each level of direct and indirect benefits, and in most cases, more complex methods are required to be developed to enable GoET agencies and groups to undertake appropriate analysis. It will be important for the Contractor to work with CDCU and SIU/NDPEAC in particular to establish valid methods of analysis in the tools they promote for use by line agencies and SWGs.
- *Verifiability*: is a particular strength of this overall methodology, as the PMG and MRG are mechanisms established to verify primary reporting on the basis of supplementary evidence, as well as to undertake new analysis of the question of the significance and contribution of the program. The method for contribution analysis itself to be employed by the MRG contains an aspect of verification as one of the critical steps in the process.
- *Usefulness*: is another critical strength of this PAF, as the majority of mechanisms and tools utilised serve multiple purposes, particularly the needs and priorities of the GoET agencies themselves foremost, with the additional benefit of being of use to the CDP PAF. Apart from basic contractor reporting and the PMG and MRG, the arguable wide ranging and complex system of M&E is drawing on tools and methods which would have to be introduced and employed by the GoET in any case for their own existing purposes.

Corporate and Parliamentary Reporting

The Contractor will also be required to complete the Simplified Monitoring Toolbox as part of is monitoring and reporting requirements. The SMT is focused primarily on reporting key outputs delivered and 'benefits' attained. The Contractor can easily

summarise critical outputs delivered on a six monthly basis, and provide evidence from the key Agency reporting, other donor and GoET information, and program documentation, on key benefits in the categories required. AusAID should review and verify the reporting on the basis of their participation in the PMG, PSM SWG and MRG reports.

In addition, the Contractor should maintain an executive summary of the Annual Strategy Review and Plan, which include information of achievements in the previous period, in anticipation of AusAID requests for information for corporate or parliamentary needs.

Further Development of the PAF

While this PAF provides a conceptual framework for monitoring and evaluation, the specific mechanisms (including methods, tools, process and systems) need to be developed in the inception phase of the program. Indeed, many of the critical tools for GoET data collection, analysis and reporting are activities and outputs of the program itself.

The following steps are required to develop the operational mechanisms for the PAF:

(a) Development of standard PMG agenda and minutes

(b) Development of ADS database (by Contractor) and formats for recipient reporting and counterpart agency reporting on return to work

(c) Development of reporting format to PMG on achievements (by Contractor)

(d) Development of format for Annual Strategy Review and Plan, which includes summary of key outputs delivered and achievements

(e) Development of format for Activity requests, and format for 6 monthly workplan

(f) Development of standardised format for SWG agenda and recording of minutes (which includes a self-assessment/review element)

(g) Finalisation of the Terms of Reference for the MRG (AusAID and MRG Team Leader)

(h) Development of monitoring system (method and tool) for Adviser performance by the CDCU (with assistance from Capacity Building and Training Adviser)

(i) Identification of specific research that should be undertaken to complement ongoing monitoring data (such as study on cross-cultural capacity building approaches in East Timor and/or support for planned other donor or other project evaluations)

(j) Development of assessment process for coordination of capacity building across the public sector by the CDCU (with assistance from Capacity Building and Training Adviser)

(k) Improvement in the standard Annual Activity Plan format of key participating capacity building agencies and line agencies (GoET, with Organisational Development Adviser, and additional program adviser support as required)

(l)   Development of standardised format for SWG agenda and minutes and tool for reporting on implementation of SIPs (by SIP-NDPEAC with program assistance)

(m)   Development of Contractor assessment indicators and guidelines (by AusAID Post with assistance from M&E Specialist)

(n)   Negotiation with other donors and GoET on CDP support for the review of the National Development Plan (by the Contractor and AusAID)

(o)   Confirmation of process for AusAID annual review of Country Program, and additional evidence/support required from the program (AusAID).

Attachment: refer to spreadsheet diagrams and text.

November 2005

Annex 11 - Monitoring and Review Group Terms of Reference

East Timor Capacity Development Program

November 2005

Introduction

The Monitoring and Review Group (MRG) is a critical mechanism within the overall Performance Assessment Framework (PAF) for the Program. The MRG will review performance on a six monthly basis, providing independent advice to the Program Management Group on the quality and effectiveness of the program, and making robust and justified findings on the significance and value of the contribution of the program in capacity building which has impacted on the changing performance of East Timorese institutions and services. The methodology for the MRG draws on open-ended enquiry and contribution analysis techniques, and works within the Performance Assessment framework principles and approach which focuses on strengthening GoET systems and mechanisms for their own primary monitoring purposes.

Program Background

The East Timor Public Sector Capacity Development Program is a proposed ten year program of assistance, with an initially contracted period of five years. The goal for the program is: "a sustainable and effective system of governance and public administration for the delivery of high quality public services". The mission of the Program is: "to strengthen capacity building institutions and processes to build individual and institutional public sector capacity in East Timor". The implementation of the program is guided by the scope, modes of assistance and operational arrangements of the design document. These include, in summary:

- Scope: (the focus and parameters of the program, to guide priorities for assistance)

    v. Strengthening the capacity of the four public sector capacity building institutions: CDCU, NDPS, INAP and the SIP Coordination Unit of NDPEAC;
    vi. Building the capacity of Sector Working Groups to implement and maintain SIP processes.
    vii. Implementation of priority activities of the Public Sector Management Sector Improvement Plan
    viii. Smaller scale but important support for capacity building initiatives across other sectors

- Modes of assistance: (the types and nature of activities and support eligible for funding under the program); which include a range of initiatives in addition to the provision of technical advisers, such as short term training, projects, direct budget support, volunteer support and scholarships.

- Operational arrangements: which includes mechanisms for rolling design and workplans through Annual Workshops, Annual Strategy Review and Plans, and the establishment of a Program Management Group with GoET and AusAID participation in key decision making. A Managing Contractor has a direct capacity building role with the key counterpart agencies as well as a design, planning and oversight role of assistance provided under the program.

The MRG should refer to the current Program Design Framework (November 2005) and Scope of Services for a comprehensive understanding of the design. Critical features of the design which impact upon the performance assessment framework include that:

(i)   Each individual activity or output implemented under the program may have one primary result but, as is usually the case with capacity building activities, will often have multiple effects. For instance, any training event will have direct individual, institutional and system-wide benefits which cannot be regarded in linear cause and effect hierarchy.

(ii)   The proposed assistance will complement, coordinate and support GoET and other donor inputs and activities in implementing their own SIP processes, capacity building plans, and service delivery, rather than act as a stand-alone project with one simple clear result. In this way CDP contributes towards a wide range of outcomes and impacts, rather than causing them. The PAF needs to draw on the wide range of evidence available about capacity improvements across the public sector in East Timor and then analyse the extent to which the CDP contributed effectively to those changes.

The Performance Assessment Framework

The PAF is not based on a logframe hierarchy of indicators which need to be measured, but rather is based on a conceptual understanding from the literature which:

(i)   Has a strong emphasis on analysis, rather than data collection, emphasising 'dynamic complexity' rather than 'detail complexity';

(ii)   Is open-ended in its enquiry, rather than using closed questions or narrowly focused indicators;

(iii)   Takes account of the externalities as a key element of the analysis;

(iv)   Aligns performance measurement and analysis methods with those responsible for ongoing management, as a means to promote continuous improvement.

An overall methodology for the PAF was developed utilising this conceptual approach, to address the following three key questions:

Key question 1: What was the extent and quality of what the program delivered?

Key question 2: What changes are taking place in the areas that program is intending to influence?

Key question 3: What is the significance and value of contribution that the program is making to the changes that are taking place?

In addressing these questions the practical structure of the PAF is based on the elements of 'primary monitoring' and 'secondary monitoring'.

Primary monitoring is undertaken directly by those responsible for implementation of the program. This includes the Contractor, key counterpart institutions, Sector Working Groups (particularly the Public Sector Management SWG), other GoET line agencies (health, education, finance, etc), the Program Management Group, and AusAID. The purpose of primary monitoring is for decision makers to regularly review the performance of the function for which they are responsible, so that continuous improvement can be encouraged and promoted. In many cases this requires the Program providing support to the relevant institutions and groups for them to undertake this primary monitoring, through technical assistance in developing the tools, methods and processes which they can utilise for this purpose.

Secondary monitoring is the synthesis, analysis and utilisation of the findings and conclusions from primary monitoring, so that conclusions about the effectiveness and 'success' of the Program can be made. There are two primary mechanisms for secondary monitoring. The Program Management Group (apart from undertaking primary monitoring of issues related to its own performance) reviews and verifies reporting provided to it from the Contractor and key counterpart agencies. In this way, the PMG undertakes an ongoing analysis of the effectiveness of the program and its continued relevance and 'success' in order to make better decisions about the allocation of resources and program direction. This may be regarded as 'internal and subjective secondary monitoring, because it is undertaken by those involved in implementation 'on the run' as part of the normal management process. The Monitoring and Review Group provides an external, impartial, and arguably more objective analysis of primary monitoring, to both verify primary monitoring findings and to develop more robust conclusions about program effectiveness and success.

Objectives of the MRG

The objectives of the MRG are to:

(i)   Assess the impact of the program
(ii)   Assess the efficiency, effectiveness and quality of the program in delivering assistance
(iii)   Assess contractor performance

Reporting and functional relationships

The MRG reports formally to the Program Management Group, which is comprised of GoET and AusAID representatives.

The MRG will need to work collaboratively with the Contractor, particularly with the M&E Adviser on the Program team, as well as the M&E specialists and other Advisers working within key counterpart institutions and other GoET agencies. The MRG function is not an oversight or audit function of the M&E work being undertaken by those agencies or advisers, but a complementary and additional function of synthesis and analysis which relies on systems, documentation, reporting and analysis being undertaken by those responsible for primary monitoring. The MRG and PMG should promote an open enquiring and contestable approach to M&E findings and conclusions, where information is shared and challenged, rather than seeking the one absolute or 'correct' interpretation, approach or conclusion.

The MRG is contracted directly AusAID, who would be responsible for accepting reports. In the event of differences of opinion or conflict, AusAID retains the right to directly commission and direct the MRG, rather than through the PMG.

Methodology

The MRG will utilise the ongoing monitoring evidence gathered by key agencies and participants in the program, in order to verify and synthesise primary monitoring findings and undertake an analysis of the contribution and value of the CDP. The methodology will by underpinned by critical M&E theory relating to:
- Contribution analysis
- Appreciative enquiry
- Qualitative assessment and continuous improvement.

A range of tools and methods will be utilised by the MRG including:
- Documentation analysis of primary monitoring reporting
- Observation, interviews and focus group discussions with key counterpart agencies and stakeholders (to verify information and analysis provided)
- Supplementary investigation into changes in the context and relevance and impact of the CDP (through a combination of institutional analysis; surveys; informal observation; stakeholder consultation which may change from visit to visit)
- Use of a formal 'contribution analysis' structure to postulate findings and conclusions, and test their veracity with Government and stakeholders.

In relation to each objective of the TOR, the practical method will involve the following processes:

Objective 1:   Assess the impact of the Program

The MRG will utilise the steps involved in a 'contribution analysis' as advocated by Mayne[46]. This involves the steps of:
i.   Collating and synthesising available data on observable outputs and outcomes (this relates to utilising the available primary monitoring reporting on assistance provided, and findings and conclusions related to performance improvements across institutions and services). The technique for this would be desk based

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[46] Refer to John Mayne, "Assessing attribution through Contribution Analysis", National Audit Office of Canada, 1999.

documentation review and analysis, supplemented by individual discussions with key informants from implementers and beneficiaries (institutions and groups)

ii.   Gathering information about the context and environment related to the Program (eg the work of other donors, economic conditions, political issues). Techniques for this would include document review and key informant interviews.

iii.   Developing a tentative proposition about the 'significance and value' of the Program to date. The technique for this could be internal team based brainstorming and scenario analysis (or may include a PMG/stakeholder focus group workshop).

iv.   Testing the proposition with stakeholders and placing the 'onus' on others to discount the conclusions. The technique for this would be either a stakeholder workshop discussion (preferred option) or a summary document which is sent to key stakeholders for written comment (less preferred but practical). The formation of an ongoing 'critical reference group' would be a good technique to build an ongoing capacity for this analysis.

v.   Documenting the findings and conclusions in a simple accessible format. A two page summary document should be sufficient to capture the significant findings on 'value and significance' of impact to date and the justification for those conclusions. This may be part of the broader MRG report, but should be a stand-alone section which can be used and shared widely.

Note that these steps rely on the steps, process and findings of Objectives 2 and 3, and they are likely to be undertaken simultaneously, as many of the techniques and primary data will be common across the objectives.

It may also be important to develop over time a 'metric' or scale for the assessment of value and significance of the contribution of the Program to the observed changes in the context. This is an emerging field in M&E practice. A tentative suggestion for a metric may be a spider type diagram with cross-cutting scales of causal linkages, relevance, value/recognition, quality, significance. A rating 1-5 across the scales would need to be developed with detailed description of the characteristics of the rating and examples. For example, the 'value/recognition' scale might be "1-nature of assistance and mechanisms not widely known and understood by participants; to "5- widely recognised and valued by stakeholders as playing an importance role in the sector".

This aids an understanding of the success of the program over time, but not capture the essence of the contribution analysis approach which is an open-ended enquiry to explore how and why the Program is being successful for ongoing learning and decision making. If a metric summary is used, it should always be supplementary to the narrative analysis.

Possible metric for Contribution analysis

Causation, Relevance, Significance, Value/recognition
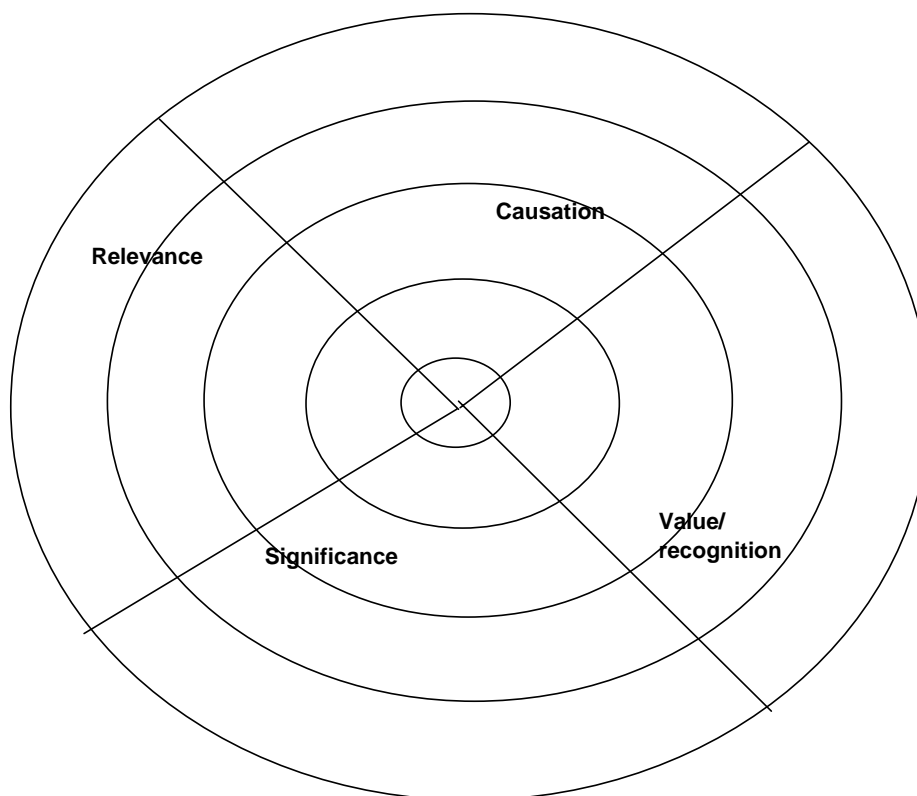
Objective 2: Assess the efficiency, effectiveness and quality of the program in delivering assistance

This objective is related to verifying the primary monitoring that has been undertaken by the implementers and beneficiaries, and preparing a synthesis of this information. This synthesis is used for reporting purposes for AusAID, and for the analysis undertaken under the steps of Objective 1 above.

This would involve the steps of:

i. Collecting available reporting documentation from primary monitoring. The Contractor should ensure that relevant documentation is available prior to (preferably) or upon arrival in-country.
ii. Conducting content analysis for key trends, issues and lessons learnt
iii. Preparing an overall synthesis (max 5 pages). These three steps could be done prior to the mission if documentation was provided in a timely manner.
iv. Identifying preliminary findings from primary monitoring to date. The technique for this would be internal team discussion, and it should not be the responsibility of one team member to do this analytical work alone and present it to others.
v. Undertaking limited purposeful sample of Program activities to verify reporting information. Techniques for this would include: observation of relationships and linkages between assistance provided and key counterparts; informal discussions with implementers and counterparts separately on program

assistance (formal interviews and focus groups are not required as this is a verification process, not data collection and analysis)

vi. Providing feedback to the PMG and generating recommendations for future action.

Note that this methodology and set of techniques is established for the MRG to synthesis and verify the existing monitoring and reporting information provided by implementers, counterpart organisations and beneficiary institutions. It is not the most important assessment of quality, efficiency and effectiveness, which is undertaken by the Contractor, participating agencies, and the PMG themselves. The MRG should not take on the primary monitoring function if information is not available, but make recommendations for improvements to systems and processes so that monitoring is undertaken where it can be most useful (by the decision makers themselves). The MRG provides only a complementary function to the primary monitoring, so that the MRG can focus on Objective 1 in their monitoring visits.

Objective 3: Assess contractor performance

This function of the MRG provides AusAID with an impartial and external view of contractor performance to complement the internal analysis that the AusAID Activity Manager is responsible for. The main purpose of including this function is to identify in a timely and ongoing way key issues which may need to be addressed by the Contractor and the PMG, in the light of the Program's overall performance and impact. It is not primarily an audit or supervision function, but a check point to alert AusAID and the PMG to any program performance issues which are impacted by contractor performance concerns, and to provide a mechanism for all participants and stakeholders to provide feedback to the Contractor and to the PMG on contractor management issues. The emphasis should be equally on positive reinforcement and lessons learned, as on seeking problems and failings.

The method for this objective will involve the steps of:

i. Reviewing the quality of reporting provided b the Contractor to the PMG
ii. Reviewing the 6 monthly workplans in the light of the design framework strategy and principles. These two steps use the technique of content analysis of documents provided.
iii. Observing a purposeful sample of assistance under the Program in the period. The technique will include half day site visits with a semi-structured set of questions for exploration against which the team will gather information through observation, informal interviews, and group discussions. The questions could include: (i) is the assistance provided according to the approval workplan/proposal?; (ii) is an appropriate capacity building approach consistently applied by the Program in this activity?; (iii) does the activity confirm to the overall design framework strategy and principles?; (iv) what is the quality of the assistance, particularly concerning technical advice; (v) is the assistance valued and utilised effectively by the counterpart institution? (vi) what are the formative issues arising and lessons learnt, particularly concerning sustainability and overall program direction? A simple (max 2 pages) report should be provided on each activity included in the sample against the key questions.

iv. Seeking participating agency and stakeholder feedback on the quality and direction of the Program (through informal individual and group discussions)

v. Discussing with the Contractor key personnel issues arising in program direction, management and relationships (through a group discussion)

vi. Prepare an overall assessment using the ratings: best practice, satisfactory and unsatisfactory with a justification for the rating provided.

Indicative workplan

A workplan to undertake these steps might involve:

Pre-departure Days 1-2	Review of available primary documentation, including 6 monthly workplans and reports; Gathering of external information and literature (particularly from other donors) Briefing (if appropriate) in Canberra and with Contractor HO.
Day 3	Briefing in-country – AusAID Meeting with PMG Meeting with Contractor
Day 4	Discussions with key counterpart agency Visit to sample activity
Day 5	Discussions with key counterpart agency Visit to sample activity
Day 6	Discussions with key counterpart agency Visit to sample activity
Day 7	Discussions with key counterpart agency Visit to sample activity
Day 8	Review of primary monitoring data and preliminary findings for synthesis of effectiveness
Day 9	Meetings/discussions with key stakeholders
Day 10	Seek further information and feedback from participating agencies/benefiting institutions/other donors
Day 11	Prepare report
Day 12	Prepare report and provide de-briefing
Team Leader only Days 13-18	Prepare final report

Team composition and roles

The MRG will comprise:

M&E specialist (1 month per year in addition to mobilisation inputs)
Key expertise required includes:
- Well developed skills and expertise in qualitative analysis and narrative reporting
- Exposure to use of contribution analysis and/or other methods of open-ended enquiry

- Ability to further develop and conceptualise the PAF as the program develops over time
- Ability to prepare written document to a high standard

Organisation development / capacity building specialist (1 month per year)
Key expertise required includes:
- Experience in institutional strengthening and OD in a developing country context
- Practical experience in the use of organisational capacity assessment tools and service delivery performance measurement
- Ability to develop and assess quality of capacity building in developing country setttings
- Ability to prepare succinct written documentation

AusAID nominee (normally the Activity Manager, or AusAID Canberra Adviser)
Key expertise required includes:
- Familiarity with the design framework and exposure to various forms of aid
- Ability to represent the Agency in formal government settings
- Willingness to actively participate in analysis and prepare written documentation
- Ability to act impartially and independently in the course of the MRG function

GoET nominee.
Key expertise required includes:
- Familiarity or active involvement in the implementation of the Program
- Ability to contribute to discussion and analysis in English (or through an interpreter) openly and creatively
- Ability to review and comment on written draft documentation.

Note that the TL would be designated by AusAID once the team has been selected. The TL would have overall responsibility for the final report preparation. They should have well developed analytical and written skills, as well as the ability to represent AusAID in high level meetings with counterparts, and manage the team's work. The Team Leader will have an additional 10 days per year input.

Timing and duration

The MRG will visit East Timor each 6 months for two weeks duration. The Team Leader will have a further 5 days for preparing documentation.

Reporting

The MRG will prepare a written report of no more than 20 pages. This will comprise:

- Introduction (0.5 page)
- Program Status (0.5 page)
- MRG purpose and methodology including any refinements or changes to the approach of the PAF and TOR (0.5-1 page)
- Summary of achievements to date (1 page)

- Synthesis of quality and effectiveness, from primary monitoring data and findings, particularly concerning changes in the intended outcomes (3-4 pages)
- Review of Sample Activities: 2 page summary (max) of the key questions for exploration (6-8 pages)
- Statement of Impact to date (2 page summary of contribution analysis of the value and significance of the program to date)
- Assessment of Contractor Performance: including justification (1 page)

The draft report will be provided confidentially to AusAID, PMG members, the Contractor and key counterpart agencies for comment, and the final report will be submitted to the PMG. The Assessment of Contractor Performance section may be omitted from the draft report and submitted separately to AusAID and/or the PMG in the case of sensitive or commercial-in-confidence issues arising.

November 2005

Annex 12

EAST TIMOR PUBLIC SECTOR CAPACITY DEVELOPMENT PROGRAM

East Timor Australian Development Scholarships Project (ETADSP)

Project Design Document

Map of East Timor:

Glossary:

ADB	Asian Development Bank
ADS	Australian Development Scholarships
ALO	AusAID Liaison Officer
AMC	Australian Managing Contractor
ANAO	Australian National Audit Office
AUD	Australian Dollar
AusAID	Australian Agency for International Development
CDCU	Capacity Development Coordination unit
CSG	Contract Services Group
DETYA	Department of Education and Youth Affairs
EDG	Effective Development Group
ELT	English Language Training
ETADSP	East Timor ADS Project
GoA	Government of Australia
GoET	Government of East Timor
HR	Human Resources
HRD	Human Resource Development
ISAT	International Students Admission Test
M&E	Monitoring and Evaluation
MAFF	Ministry of Agriculture, Forestry and Fisheries
MC	Managing Contractor
MTCDS	Medium Term Capacity Development Strategy
NGO	Non Government Organisation
NZAID	New Zealand Aid Agency
SIP	Sector Investment Plans
TAFE	Technical and Further Education
TOR	Terms of Reference

Executive Summary

The ETADS project will be implemented under the Capacity Development Program (CDP). It will provide up to eight long-term scholarships in Australia per year. The scholarships will be targeted to the development priorities of the GoET as articulated in documents such as the Draft Medium Term Development Strategy and the AusAID Country Strategy. Specifically the AusAID Country Strategy has identified two broad areas of support:

- **Governance,** including support for the East Timorese Police Force, strengthening the justice sector and oversight mechanisms, support for the Ministry of Planning and Finance and public sector management capacity building support.
- **Improved basic services delivery**, including support for Rural Water Supply and Sanitation, a flexible programmatic approach to Health and support to the Ministry of Agriculture Forestry and Fisheries (MAFF) to improve Food security.

In line with objectives of the CDP, ADS scholarships will be targeted to the Public Sector (including statutory agencies and other government organisations). Applicants will be encouraged to look at courses that will only require them to be away from East Timor for two to three years. This will include the promotion of TAFE and post graduate awards.

An Annual Training Strategy (ATS) will be developed based on both countries priorities and other donor activities to articulate the specific priorities for the next selection process.

If the required number of candidates cannot be chosen from the public sector, East Timor based NGOs and organisations directly linked to other AusAID supported activities will be considered, however these applicants must also fit inside the defined priorities.

Previous ADS applicants and awardees from East Timor have required ELT that has been undertaken in Australia. This has considerably lengthened the time required to undertake the award. The ETADS Project will draw on previous analysis of the feasibility of conducting the ELT part time in East Timor, and compare this to alternatives of third country training, or continuing in-Australia language training. This will happen immediately on mobilisation to ensure that the first cohort of students will be able to take part in the new arrangement.

A key feature of the project is the requirement for every application to be sponsored by the employer. Each application will be required to clearly articulate the development objectives of the sponsoring organisation and the individual and their commitment and undertakings for before, during and after the scholarship. This 'Action Plan' will form the basis for outcomes based M&E. The establishment, implementation and monitoring of procedures to ensure that the sponsoring arrangement does not lead to nepotism or other forms of favouritism is essential to ensure transparency and accountability.

The CDP Program Management Group will form a special ADS Committee tasked with overseeing all operations of the ADS Project including the provision of strategic direction. This will be made up of representatives from GoA and GoET. Management of the project will be through a managing contractor with a full time East Timorese Project

Manager operating the ETADS Project, and will report to the CDP Manager in East Timor.

1. Preparation Steps

1.1 Historical and Social Context:

East Timor is located in South East Asia, northwest of Australia in the Lesser Sunda Islands at the eastern end of the Indonesian archipelago. It covers an area of approximately 15,007 square meters and has a population of 1,040,880.

The Portuguese began to trade with the island of Timor in the early 16th century and colonized it in mid-century. Skirmishing with the Dutch in the region eventually resulted in an 1859 treaty in which Portugal ceded the western portion of the island. Imperial Japan occupied East Timor from 1942 to 1945, but Portugal resumed colonial authority after the Japanese defeat in World War II. East Timor declared itself independent from Portugal on 28 November 1975 and was invaded and occupied by Indonesian forces nine days later. It was incorporated into Indonesia in July 1976 as the province of East Timor. An unsuccessful campaign of pacification followed over the next two decades, during which an estimated 100,000 to 250,000 individuals lost their lives. On 30 August 1999, in a UN-supervised popular referendum, an overwhelming majority of the people of East Timor voted for independence from Indonesia. Between the referendum and the arrival of a multinational peacekeeping force in late September 1999, anti-independence Timorese militias - organized and supported by the Indonesian military - commenced a large-scale, scorched-earth campaign of retribution. The militias killed approximately 1,300 Timorese and forcibly pushed 300,000 people into West Timor as refugees. The majority of the country's infrastructure, including homes, irrigation systems, water supply systems, and schools, and nearly 100% of the country's electrical grid were destroyed. On 20 September 1999 the Australian-led peacekeeping troops of the International Force for East Timor (INTERFET) deployed to the country and brought the violence to an end. On 20 May 2002, East Timor was internationally recognized as an independent state.[47]

1.2 The Australian Development Scholarships Program

Australian Development Scholarships (ADS) are AusAID's principal mechanism for providing long-term human resource development assistance to individuals from developing countries. ADS provides in-Australia scholarships at Technical and Further Education (TAFE), undergraduate and post graduate levels. Scholarships also have an important role in fostering and sustaining Australia's relations with developing countries, particularly in the Asia-Pacific region.

The ADS program's objective as defined in the ADS Guidelines[48]:

> *"is to strengthen human resource capacity in priority sectors of partner countries consistent with country program strategies and Australia's national interests."*

ADS operate under a number of guiding principles. Training through ADS should:
- be consistent with the objectives of country program strategies;
- be delivered in the most cost effective way possible;

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[47] http://www.cia.gov/cia/publications/factbook/geos/tt.html
[48] ADS Operating Guidelines, 2002, SMS AusAID

- maximise the development impact on the partner country;
- have regard to access and equity principles, including those that relate to ethnicity and gender; and
- be consistent with the law and with general Commonwealth Government policies.

Scholarship holders are expected to complete their qualification in the shortest possible time and are required to return to their home country on completion.

2.   Analysis

2.1   *The ANAO Report*

In 1999, the Australian National Audit Office (ANAO) undertook a performance audit of AusAID's ADS program. In October of that year the findings of the review were presented to parliament and are documented in the ANAO Performance Audit Report on the Management of ADS (October 1999). The report contained eleven recommendations. AusAID has subsequently accepted and commenced implementing all of the recommendations.

Two of the key findings of the performance audit are:
- inadequate attention linking the ADS program to the country strategy and reviewing the development impact of ADS at the country level; and
- a need for greater transparency in the selection of ADS scholars and for AusAID to be an equal partner in the selection process

Based on this report, this Design has paid particular attention to the need to maximise the development outcomes of the Project and the measurement of these outcomes. In this regard, the current practices and experiences of the existing East Timor ADS program as well as the GoET priorities have been taken into consideration. The approach adopted is clearly articulated in Section 3.8 Scholar Portfolio and Action Plan.

2.2   *AusAID's Development Assistance Program*

Since independence AusAID has provided diverse support to East Timor. The program initially focused on short-term technical assistance and training during 2000-2001 while design missions for longer-term activities were undertaken. Australia's bilateral contribution has been substantial and consistent with Australia's national interest in helping to build East Timor's capacity to govern a peaceful, democratic and independent nation. Current key sectors for bilateral assistance are: governance, including a significant law and justice program, rural development, water supply and sanitation, health and education.[49]

2.2.1   East Timor Scholarships
Prior to independence, East Timorese were able to apply for ADS through the Indonesia ADS project. Following independence AusAID initiated a new ADS program specifically for East Timor.

The East Timor ADS program has promoted private and public sector human resource development in areas of agreed development priority.   An intake of eight new awardees

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[49] AusAID website: www.ausaid.gov.au

anticipated in Semester 2, 2005 brings the total number of ADS scholarships awarded to sixty nine (69). In addition to the ADS program, AusAID and the Department of Education, Training and Youth Affairs (DETYA) also supported a second, one off scholarship program called EDUKA. Under EDUKA an additional fifty six (56) scholarships were provided with costs shared between AusAID (46), DETYA (10) and participating universities. EDUKA is scheduled to conclude in December 2006.

ADS scholarships have been offered primarily at undergraduate and postgraduate level (although some students have undertaken study at TAFE), in areas where capacity building has been identified as crucial to nation building. These target areas have been very broad and included health; education and social sciences; agriculture and natural resources management; engineering and building; economic and financial management; public policy development and administration; and, science. In the spirit of cooperation the ETADS project has also been responsible for selecting three students to participate in the NZAID scholarship program.

Although the ADS program is highly regarded in East Timor with several returned awardees now filling important places in the Government, there has been a difficulty in finding candidates with adequate English language skills and education to fill all the scholarship places which led to the Australian and East Timorese Governments deciding to reduce the number of awards to eight per annum. In response to the desire to continue the scholarship program and consistent with AusAID's desire to improve focus on poverty alleviation and outcomes measurement, a Review and Design Team was fielded in May 2005 to identify a new Project to replace the current activities scheduled for completion in September 2005.

2.2.2 Country Program Strategy

AusAID is currently in the process of developing a new Country Strategy with the overall aim:

> *"to assist the Government of East Timor to reduce poverty and achieve sustainable development"*

This new strategy is the first to be developed in partnership with the government and reflects East Timor's development priorities as set out in its National Development Plan. In the strategy AusAID has identified two broad areas of focus as well as specific activities under these areas:

- Governance, including support for the East Timorese Police Force, strengthening the justice sector and oversight mechanisms, support for the Ministry of Planning and Finance and public sector management capacity building support.
- Improved basic services delivery, including support for Rural Water Supply and Sanitation, a flexible programmatic approach to Health and support to the Ministry of Agriculture Forestry and Fisheries (MAFF) to improve Food security.

Of particular note is AusAID's decision not to support the sectors of Education or Infrastructure due to the presence and comparative advantage of other donors in these sectors. It is anticipated that, subject to annual consideration, Australia will maintain total assistance to East Timor at approximately $40 million per annum over the period 2004-05 to 2006-07.

2.3 *Government of East Timor Priorities*

The Government of East Timor has clearly identified key priorities for development as outlined in the National Development Plan. Specific sectors have developed Sector Investment Plans (SIP) that articulate the goals and priorities for the sector in the medium and long term. The level of capacity and experience of the existing human resources in the Government (including Secretariats of State and State Authorities) is identified as a major constraint to development. The Capacity Development Coordination Unit (CDCU) in the Department of the Prime Minister has recently completed a Medium term Capacity Development Strategy. This strategy was developed through the analysis of identified capacity needs and cross referencing the various Sector Investment Plans. This draft document clearly and comprehensively articulates the training priorities of the GoET and is a key document for the ETADSP.

2.4 *Problem Analysis*

AusAID's consultations for the development of the new Country Strategy highlighted the continued need for capacity building and particularly human resource development. The review of the existing ADS program highlighted a number of issues that needed addressing:

- The identification of adequate numbers of students with a level of English language (IELTS 5 or above) that allows for entry into Australian institutions, was difficult.
- A high percentage of the undergraduate scholars had academic difficulties, primarily due to low levels of basic education in science and mathematics;
- the limited attempts to monitor the outcomes of the scholarship program apart from looking at employment;
- limited focussing or targeting of the awards; and
- returning students difficulty in finding appropriate employment, particularly employment that utilises their new skills.

2.4.1 English Language

Based on the experience of the existing ADS and EDUKA programs and discussions with stakeholders in East Timor, it is apparent that the English language proficiency requirement that forms part of the conditions of entry to Australian education institutions, (average IELTS score of 6.5 for Master degree programs and 5.5 for TAFE programs) is a significant barrier to filling the scholarship quotas. The GoET is supportive of increasing English language competencies throughout the country and a number of strategies have already been introduced. For example the National Institute of Public Administration (INAP) conducts short-term training for public servants and a private organisation 'English Language Training' provides training under contract to the World Bank and AusAID. New Zealand Aid (NZAID) has also supported the establishment of a language laboratory at the National University of East Timor (UNTL). Increasing IELTS scores over the last two years of the ADS program indicate that this may be having an impact, however there are several other influencing factors including the introduction by the existing ADS program, of an IELTS preparation course in 2004.

Average IELTS scores as low as 4.5 have been selected for award. Students with these IELTS scores have been approved for undergraduate study. However, the Australian institutions require them to undertake English training to increase their IELTS scores by 1.5 or 2 points (depending on the course and the university requirements). With a rule of

thumb[50] indicating that on average 0.5 of a point can be achieved through six months full-time English language study this would require approximately 1.5 years of language study prior to commencing the undergraduate degree. Although research shows that candidates will improve their IELTS score at about twice the rate if studying in Australia as opposed to the same length of study in their own country, a considerable period of English language training (ELT) is required. Curtin University also found that anecdotal evidence suggests that ADS students who undertake ELT in Australia (Mozambique and East Timor) have a greater grasp of English and it's use in Australia, than those who undertake study in their home country (eg. Indonesia and Viet Nam), even though IELTS results may be the same.

As detailed in section 3.7, this design has incorporated a review of possible ELT delivery options. This review will look at the feasibility of providing ELT in-East Timor, in-Australia, third country study or a combination of study options. An example of possibilities include short-listed ADS candidates having access to full-time (estimated at 20 hours per week) ELT in East Timor for six to twelve months, and those scholars who are offered awards and require additional IELTS training will have access to a further 10 weeks English language training in Australia before they commence their academic studies. Those ELT students who do not receive an award would cease undertaking ELT.

2.4.2 Academic Standards

In order to assess the academic background of potential scholars and their preparation for study in Australia, the existing ADS program has primarily relied on university and high school academic achievements as indicated by official documentation provided by candidates. Due to the disturbances to the education sector following independence in 1999, a discounting factor was applied to students' results for any qualifications awarded after 1999. This was to compensate for the more generous grading that occurred in this period.

Although the Ministry of Education has drawn up regulations for the control of the higher education sector they have not yet been approved. The awareness of required standards and their enforcement is still to be undertaken. Even though several of the East Timorese Higher Education institutions have developed relationships with Universities and TAFEs in Australia, the current ADS program has demonstrated that it is unlikely that any Australian institution will automatically accept that East Timorese graduates are of an equivalent standard to that of an Australian graduate.

Therefore it is highly likely that the quality of graduates from East Timor tertiary institutions will be varied and that each application will need to be assessed on a case-by-case basis during nomination and selection processes. What may be lacking in academic knowledge and approaches to learning, in some circumstances, can be compensated for in cognitive ability, motivation and/or commitment. Based on these considerations the design has allowed for the utilisation of International Student Admissions Test (ISAT) testing on students when their IELTS levels have reached the required average level of 5.5. ISAT testing is not currently offered in East Timor, although it is offered in Darwin (managed by the Australian Council for Educational Research) and internationally by IDP Education Australia. The Managing Contractor will be required to identify the most

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[50] Provided by IALF and AusAID SMS

efficient and cost effective way of delivering the ISAT testing and present this as part of their inception report.

Foundation courses offered by universities in Australia, have been used to develop the level of academic skills required to undertake undergraduate courses. In some case, students have also commenced TAFE courses (diplomas) with the intention of articulating to undergraduate level on completion. Although these are both proving to be successful methods of getting awardees to the required standards, it lengthens the time taken to complete the scholarship by up to several years.

2.4.3   Targeting and Outcomes Monitoring
The global ADS objective of strengthening human resource capacity is very clear. Measuring the achievement of this globally and even at a country level is difficult, however it is far from impossible. What is required is a structured process that starts at the identification of the objectives of the country program and goes through all stages including selection, study and post award. This design has drawn on lessons from other ADS programs including Africa, Philippines, Mongolia and Papua New Guinea to develop a targeting process and monitoring framework that will clearly articulate outcomes for the Project as a whole, and both the individual awardee and more importantly the organisation. This is done through the process of targeting the awards to priority areas (organisation, sector and level of study), articulating the objectives of the award, and structuring an individual action plan for the achievement of the objectives.

2.4.4   Human Resource Development Requirements of the GoET
While the range of development needs in East Timor, including within the public sector are many and varied, resources for the ADS program are limited to eight awards per annum. Previous attempts to focus on the Public sector (in 2000 and 2001) were not successful with the program becoming entirely open after these first two intakes. Although all awards had to be inline with the development priorities of East Timor, the definition of these priorities has been broad and specifically linked to the AusAID Program.

Recently the GoET has developed SIPs for each major sector and the training needs have been referenced into the CDCU's draft Medium Term Capacity Development Strategy Part II 2005/06 – 2007/08. This document, along with AusAID's draft Country Strategy 2005 +, provide a solid foundation for annually agreeing the targeted areas of study to be supported under the future ETADS Project.

Throughout the consultations with the GoET, there was a difference of opinion regarding the level of education that the scholarships should target. However, all Ministries were of the view that the duration of scholarships should not extend beyond two to three years. This places constraints on the allocation of awards at undergraduate level particularly given that most undergraduate scholarship holders have previously required additional time to undertake English language and foundation skills training.   It was commonly suggested that courses of one year or less were preferred so government officers, particularly those in critical positions, are not out of the country for extended periods. This statement is supported by the draft Medium Term Capacity Development Strategy (MTCDS). Consultations in Dili identified that there is little awareness of TAFE courses. TAFE has not been a level of study that the previous ADS program has targeted, with TAFE only being used as a last resort for awardees trying to articulate into an undergraduate degree.

Two areas were identified as needing further development:
- technical skills development, therefore suggesting that TAFE programs may be of particular relevance; and
- Policy and strategic planning skill development, particularly for senior officers, suggesting that post graduate level is appropriate.

Other donor funded scholarship programs are offered in East Timor, including the NZAID program where the AusAID AMC currently undertakes selection on behalf of the New Zealand Government. The Portuguese government, Asian Development Bank and the Cuban Government are all known to offer scholarships, although information on number, level and sector is not currently available.

In summary, there is a clear desire and need for scholarships to be targeted to the public sector, against the priorities and sectors as defined in the MTDS and Draft Country Strategy, and complementary to other donor scholarship programs. This in turn supports the recommendation of the ANAO performance audit.

GoET have a preference for shorter courses that reduce the duration of out of country time. Based on the experience of the existing ADS program, in particular in regard to the English language requirements, there is some uncertainty regarding the capacity of the public sector to fill all eight places, particularly in the first two years. Hence, for the next intake it is suggested that as an interim arrangement the pool is widened by:

- linking the Project to other AusAID activities; and
- inviting applications from civil society (NGOs, churches, etc).

However this option is only possible if the area of study relates to the strategic capacity building objectives of the ETADSP.

2.4.5 Absorptive Capacity
Previous capacity building programs in small states have highlighted the need to consider absorptive capacity of the stakeholders. This is particularly relevant when the activities involve removing employees from the workplace. East Timor is no exception in this regard. Since independence a large number of international advisers have been supporting East Timor undertake the role of government and develop systems for the future. Many of these advisers are still considered to be irreplaceable and consequently, as part of targeting scholarships the absorptive capacity needs to be considered.

Although eight is a relatively small number of scholarships per annum, with a current average length of over four years, more than 32 East Timorese are on an ADS award each year. In May 2005 data on SIMON indicated that there were 40 students on award in Australia. This is a major burden for the government to cover by backfilling positions etc. As such the GoET has identified their preference for short-term training, with limited time out of the workplace. This design is attempting to accommodate this by undertaking some of the language training in East Timor (which will allow the awardee to continue working on a part time basis) and prioritising courses of one or two years duration thus minimising the time out of the workplace. If changes to AusAID's global ADS administrative arrangements occur, it may be possible to offer ADS scholarships for 1 semester per year in Australia (about 4 months) until completion of the degree, thereby allowing awardees to maintain engagement in their employment in East Timor.

2.5   *Implementation Strategies Considered and Identified*

As supported by the ANAO recommendations, targeting is essential to ensure that the objectives of the Country Strategy are achieved. As stated above East Timor's Human Resource development needs are enormous and cover a broad spectrum of areas from public sector management through to technical skills. The AusAID ADS Project however is relatively small and East Timor's human resources are scarce, therefore the Project needs to be tightly focussed. Targeting the use of the scholarships to reflect the focus and provide the best outcomes, can be done at several levels. Annex 4 is a detailed paper of the targeting options considered and their relative strengths and weaknesses.

Although targeting allows for a closer link between development objectives and the scholarships being undertaken, it can also limit the pool of potential applicants to choose from and therefore reduce the quality of training outcomes. This trade-off was considered as part of the analysis. It was determined that the previous ADS project was finding the standard of applicants was improving and saw no reason for this trend not to continue in the short term. Specifically the standard was improving for both academic and IELTS levels. Anecdotal evidence identified two possible reasons for the increase in IELTS results. Firstly, the increase in number of English language training opportunities (both formal and informal) including the development of commercial ELT providers, and secondly, due to the utilisation of an IELTS preparation course. GoET felt that sufficient quality applicants could be found in the public sector and therefore the design has decided that the benefits of targeting far out way the potential negatives. As a contingency the design has allowed for the pool of applicants to be widened in the first year if required to include indigenous NGOs and organisation that other AusAID activities work closely with.

Due to the small number of annual ADS awardees, it was considered appropriate to subsume the ETADS project within the long-term Capacity Development Program, due for deployment in June 2006.

2.6   *NZAID Scholarship Program*

The current ADS project also manages the selection of the NZAID scholarships. In the interests of donor harmonisation it is recommended that this continue, however the objectives of the NZAID scholarships would need to meet the Goal and Purpose of the ETADS Project. In achieving the purpose of the project this design is recommending a tight targeting of scholarships and as such publicity and selection will be customised to follow this path. Establishing and maintaining a separate system to address the NZAID program would not be feasible with the resources available. During consultations with NZAID it was apparent that the NZAID Country Strategy did not closely align with the AusAID strategy. Perceptions of the value in targeting also differed. Therefore it is recommended that further discussions occur between NZAID and AusAID to determine the value and practicality of continuing the existing arrangement.

2.7   *Existing Students*

Currently the ADS program has 40 students on award in Australia, one in Bali, Indonesia, and three ARDS students in Fiji. All these students, and particularly the student in Bali whose stipend and fees are paid by the AMC, will need continued monitoring and support as required.

2.8   *Economic Rationale*

Although the delivery mechanism for the Project, being ADS, was prescribed, the direct and indirect benefits for East Timor are clearly apparent although very difficult to place a monetary value onto and are far greater than the monetary benefits received by the individual awardees. Other benefits include the social and cultural effects on society through the existence of well-educated groups within it, raising the productivity of complimentary factors of production, improve labour force flexibility, contribute to new knowledge, raise productivity from technological change whose discovery and implementation is hastened by the existence of educated individuals, and inter-generational effects.

3.   Project Design

The East Timor Australian Development Scholarships Project (ETADS) provides targeted tertiary training to the Government of East Timor. ETADS is delivered as a project under AusAID's Capacity Development Program (CDP), and up to eight scholarships will be offered per annum.

All study must be in disciplines that are not currently offered in East Timor, and are in line with GoET priorities and the AusAID Country Strategy. In line with objectives of the CDP, scholarships will be restricted to the public sector, including statutory authorities and other Government organisations. In the event that there are not eight suitable candidates from the public sector, the remaining places may be filled by indigenous NGOs or by other organisations identified by AusAID activities, provided that they meet the objectives of the ETADS project. Priority will be given to scholarships that can be undertaken in two years, such as postgraduate Masters Degrees and TAFE certificates and diplomas.

The ETADS project will be guided by the following principles:

- A comprehensive M&E framework focusing at outcomes level will be used to ensure all activities are in line with the Goal and Purpose of the project and guide continuous improvement of processes.

- The Project will be managed in accordance with AusAID's Gender and Development and Environmental policies and take into consideration AusAID's policies on HIV/AIDS for East Timor.

- All processes and systems must be open and transparent.

3.1   *Project Governance Arrangements*

Although the project will be managed by a Managing Contractor, policy direction will be set by the CDP Program Management Group – ADS Committee (the PMG ADS Committee), a joint GoET and GoA coordinating committee. This committee will be made up of an AusAID representative (A-base officer), the Director, National Directorate for Planning and External Assistance Coordination and the Director, CDCU and a representative from the Scholarships unit of the Department of Education.

The ADS Committee will be tasked with setting all policy directions, endorsement of the Joint Selection Committees nominations for award and will be responsible for the overall performance of the project. The Committee should meet twice per year, during the setting of strategic priorities and targets and after candidate selection. The CDP Manager will be the secretariat of the Committee.

3.2   *Project Objectives*

A summary logframe matrix (LFM) is included in Annex 7. The goal of the ETADSP is:

> *Reduce poverty by contributing to improved performance of departments, agencies and organisations in meeting their corporate objectives.*

The purpose of the project is:

> *To identify, select and train individuals in the GoET Public Sector that provide solutions to identified HRD priorities in the agreed focus areas of the GoET and AusAID.*

3.3   *Targeting of Scholarships*

Ensuring that all scholarships strategically align with the Project's goal and purpose is critical for success. As such focussing the ADS Project through the targeting of the scholarships is extremely important. All scholarships will be targeted at the public sector in areas of study that have been identified as priorities for the GoET and in line with the AusAID Country Strategy. There will be no awards offered to the open category and there must be an annual gender balance. Failing the identification of eight suitable candidates from the public sector, indigenous NGOs and organisations working with other AusAID activities can nominate candidates for consideration.

Targeting of the scholarships will be undertaken through the preparation, under the direction of the CDP Manager and in consultation with stakeholders, of an Annual Training Strategy (ATS). This strategy will have a medium term focus, but reviewed and updated annually. As a minimum it will cover:
- the sector priorities of the GoET and GoA,
- based on the HRD priorities of the institutions, the areas and level of studies required inside each sector,
- a matrix of other donor activities,
- a list of secondary courses currently available in East Timor,
- the principles for the project as a whole and the specific year,
- lessons learned from the previous year, and
- the procedures and processes that will be undertaken from publicity to post award evaluation.

The ATS must also take into consideration issues of gender equity, and in particular equal access to scholarship opportunities. Providing opportunities and incentives for both genders to apply and receive awards should also be considered in the development of information and publicity processes as well as selection criteria.

3.4   *Eligibility Criteria*

The ADS guidelines articulate certain minimum eligibility criteria. Other criteria are specifically developed for country strategies. For the ETADS, applicants must as a minimum adhere to the following criteria. They must:
- be an East Timorese national, or be married to an East Timorese national and have lived in East Timor for at least five years;
- be usually and currently resident in East Timor;

- not have permanent residence status in Australia and be eligible for Australian citizenship;
- not be married or engaged to a person who is eligible to hold Australian or New Zealand citizenship or permanent residence;
- satisfy Australian Government requirements for international student entry (health, character etc);
- not be pregnant when travelling to Australia to begin study;
- not hold a scholarship that would give overlapping benefits;
- not have held an International Scholarship in the 12 months preceding the application;
- be applying to commence a new course of study at a level higher than your current qualification;
- be applying to commence a course that currently is not offered in East Timor;
- be able to take up the scholarship in the year in which it is offered; and
- be endorsed by their sponsoring organisation – eg. Ministry, Statutory Authority, Agency.

3.5 *Application and Selection Process*

Although recently ADS has been open to any candidates, there is evidence to indicate that potential awardees, (particularly in the public sector) were not aware of the ADS Project or the application process. Publicity of the ADS scholarships now needs to be directed specifically at the public sector to maximise the quality of the applicants. A publicity and promotions strategy should be developed in consultation with the CDCU prior to the first round of applications. This strategy must clearly indicate how advertising and information sessions will be undertaken inside and outside the government departments and should consider the identification of an ADS information group to promote the scholarships, help identify HRD priorities and support the development of the action plans.. The strategy must take into account the need for transparency in applications and must include strategies to ensure that all prospective applicants have equal opportunity to apply through their departments.

In the first two years when it is anticipated that there may be insufficient applicants from the public sector, NGOs and other AusAID supported activities may also be allowed to apply for scholarships, however this will only be after an assessment of the initial public sector candidates has been complete. The process for this is to be articulated in the publicity and promotions strategy. Whether from the Public sector or NGOs, all applications must be permanent employees and sponsored by the Human Resource section of the employing agency and a draft action plan completed.

As supported by the ANAO performance audit, the selection of all awardees will continue to be open, transparent and equitable. The selection criteria will be reviewed annually to ensure that it is inline with the ATS, however will, as a minimum reflect:
- The principles of gender equity.
- 100% adherence to the eligibility criteria.
- The organisational objective outlined in the action plan, and its relevance to the ETADSP objectives.
- The past academic achievements of candidates and an assessment of their potential to succeed in Australian higher education courses (including the

continued use of interviews for short listed candidates and ISAT (or GMAT or SAT as approriate) if required).

- IELTS scores.

The overall selection process will be managed by the PMG ADS Committee and coordinated by the managing contractor. A selection committee will be nominated by the PMG ADS Committee but as a minimum must have a representative from the GoET, AusAID, and the Managing Contractor. These minimum requirements are essential to ensure transparency of selection and for identifying areas of improvement for subsequent cohorts.

Selection will be undertaken at two stages:

Stage 1: Based on the selection criteria, a prioritised shortlist of a minimum of three times the number of awards available will be selected. The short listed candidates will then undertake the IELTS preparation course and subsequent IELTS test. Based on the IELTS results and the previous priorities, candidates will again be prioritised and those with an adequate ILETS level, invited to attend an interview.

Stage 2: Interviews will be conducted by the selection committee to assess the students potential for successful study in Australia and the relevance and alignment of their award objectives with the ATS. Subsequent to the interview process, the candidates will be reprioritised.

It is imperative that comprehensive records are maintained for the selection process.

3.6   *Information for Prospective Awardees*

The selection of an appropriate area of study and course requires a comprehensive knowledge of what is available through the ADS Project. The Managing Contractor will be required to maintain a comprehensive library of resources to help applicants and awardees select appropriate courses. This should include access to an online computer to search the websites of the relevant universities and TAFEs.

The resources should also include information that would help students in their preparation for award (such as information on Australian culture and language, maps etc).

3.7   *English Language Training*

The potential for part time ELT to be offered in East Timor instead of full time in Australia should greatly reduce the amount of time an awardee is away from their organisation although part time study will by nature take a longer period of time to complete. An assessment of the capacity for and cost of ELT in East Timor is currently being assessed by an English Language Specialist under the current the ADS Project, to:

- Evaluate the efficiency and effectiveness of all ELT options for the ET Project (in country training, third country training, in Australia training or a combination) and recommend a preferred model including an implementation plan.
- Consider if the ELT Project can incorporate cultural awareness training, and recommend approaches for this.
- Relate the ELT to organisational limitations and availability.

- Recommend the number of students that should undertake ELT.
- If the option of ELT in East Timor is selected, the project should explore the implications and options for providing ELT to applicants that were short-listed but did not achieve high enough IELTS scores for entry in this round.

Upon implementation, this information will be made available to the CDP for utilization in further development of the ETADS Project.

3.8 *Scholar Portfolio and Action Planning*

All applicants must apply to undertake an area of study that meets the organisational HRD priorities. Each application must also be supported by the applicant's organisation, including a genuine commitment to the ongoing implementation of an action plan for the scholarship. Part of the action plan will be the collection and maintenance of a scholar portfolio. An example of the format of the action plan is attached at Annex 6. This formal agreement between the sponsor, the awardee and the ETADSP should be included as a part of the action plan and should articulate the employer's commitment to providing the awardee with a suitable employment opportunity on return, to utilise their newly developed skills. The employee would be required to commit to taking up this position.

Action Plan: Specifically each awardee and their sponsor must articulate the objectives (organisational and individual) of the scholarship and appropriate indicators that would indicate the level of success. They must also articulate what commitments they are making towards achieving these objectives for three stages of the scholarship:
- Pre award
- On award
- Post award.

This action plan can then be used to support the selection process by identifying whether the objective of the scholarship is in line with the ATS (including the identified HRD needs of the organisation) and contribute to the overall monitoring of the success of the scholarship (for the individual and the organisation) and the project as a whole.

Scholar Portfolio: The scholar portfolio should be created immediately on award of a scholarship or ELT place and maintained throughout the life of the award. The signed action plan would be the first document in the portfolio with the remainder to be made up of evidence collected that demonstrate the achievement of various activities on the action plan. For example an individual who stated that as part of an assignment, they would undertake an analysis of the Human Resource section of their home department, the research paper and evidence that a copy was sent to their department would be collected. This portfolio and the action plan would form the basis for any development monitoring and evaluation.

3.9 *Component Structure*

The LFM in Annex 7 comprises of two components and some indicative outputs that either need specific emphasis in the early stages of implementation or are standard for the ADS process. A more comprehensive list of outputs and activities should be identified as part of the annual planning process and the LFM updated accordingly.

The Project will comprise of two components.

Component 1: Project Management and Strategic Direction
> *To facilitate effective governance and strategic direction of the Project and provide efficient operational management.*

Output 1.1: A strategic and functional governance arrangement operating through the PMG ADS COMMITTEE.
Output 1.2: Annual Training Strategy developed in line with GoA and GoET priorities.
Output 1.3: Annual plans developed in line with AusGUIDE and approved by the PMG ADS COMMITTEE.
Output 1.4: A comprehensive outcomes, process and outputs M&E framework developed and used.
Output 1.5: Project Administration and finance systems developed and implemented, a quality plan produced and documented in an operations guideline.

Component 2: ADS implementation
> *To select and place suitably qualified East Timorese candidates in long term in-Australia tertiary courses in accordance with the agreed HR and capacity building focus.*

Output 2.1: Effective promotion of the ADS Project in the targeted areas and adequate information on studying in Australia, available to prospective applicants and awardees.
Output 2.2: Applicants selected transparently in line with the ATS.
Output 2.3: ADS awardees placement and mobilisation achieved in a timely manner.
Output 2.4: ELT options presented, and implemented in time first the first cohort of ADS students.
Output 2.5: Awardees achieve improved IELTS levels after the ELT.
Output 2.6: Variations in Award processed in accordance with the East Timor ADS Guidelines
Output 2.7: Dependents Mobilised

3.10 *Risks*

There are a number of risks to the successful achievement of the Projects objectives. These are detailed in the Risk Management Matrix at Annex 5. The successful mitigation and/or management of these risks is an essential part of the role of the Project Director, Project Manager and GoET.

The approach of targeting the scholarship towards departmental HRD priorities, and requiring the organisation to support each application has the potential for individuals in departments to nominate only their preferred candidates, rather than those than would most benefit from the scholarships either due to position or merit. However, requiring the organisational support encourages HRD in areas of need rather than on an ad hoc basis, and will provide a much more direct link to development outcomes as well as providing a process through which overall monitoring can occur. As such a number of areas have been identified to mitigate this risk:

The proposed targeting of all of the ADS towards the HRD requirements of the departments provides the overall risk mitigation, specifically;

1. getting the targeted departments to identify their capacity building priorities in a human resource development sense prior to the annual promotion - this is a major part of the development of the Annual Training Strategy (ATS);
2. the preparation and utilisation of comprehensive and transparent guidelines and procedures (protocols) for the selection of candidates for ADS awards. The MC would maintain a lead role in this selection process and the selections would have to accord with the departments priorities identified in (1) above;
3. ensure that the ADS vacancies and selection processes are extensively advertised within all the departments and developing the protocols to monitor that this is taking place (an early milestone of the MC);
4. set up a monitoring system based on the individual awardee, their employment location and what that person is doing in the department, including post award. This is where the action plan from the individual clearly articulating the study program, the skills that will be achieved, and what takes place on re-entry to the department comes into play. This action plan does not necessarily need to lead to a promotion but would reflect an opportunity to utilise the skills that have been developed, solely dependant on what the departmental objective of the scholarship were.

When these protocols are set up and used, and with the involvement of the MC in the selection process and the individual action plans, there should be a selection approach that would mitigate the potential for the risk to occur as well as having a spin off development outcome of demonstrating accountable processes for the GoET.

Annex 1. Costs and Resource Requirements

The ETADSP is part of the broader AusAID Country Program and as such has resourcing parameters that have already been set. This translates to a maximum of eight scholarships per annum. The project will have two funding channels, the MC and SMS. The MC will be responsible for all costs associated with selection, ELT outside Australia, mobilisation and M&E whilst SMS will be responsible for all in-Australia costs. Detailed Costs are included as Annex 9.

Managing Contractor
The CDP Manager will provide part-time support of up to two days per week as Project Director for ETADS, as required over the life of the CDP and ETADS. A national full-time Project Manager will be required, as well as other necessary administrative support both in East Timor and Australia. The MC will be selected in accordance with Australian Government Procurement Guidelines and as such the costings are indicative only.

SMS
SMS costs include all costs met directly by AusAID. These estimates are based on the figures articulated in the ADS Guidelines and the current contracts with the ADS institutions. Annual course fees currently range between $10,000 and $28,000 per annum and average around $16,000. A 2-year ADS award for an East Timorese student accompanied by family members to study for a Masters degree is estimated at $110,000. This includes fees paid to Universities to manage students while on award, 10 weeks of in-Australia pre-course English language training and stipends. It does not include selection costs, in-country English training or any other MC costs.

Costing for the Government of East Timor

The Action Plans will articulate the participation requirements for the sponsoring organisation. These will usually be contribution in kind however it is expected that the salaries of awardees will continue. The payment of this salary supports the formal agreement between the employer and employee that ensures that the skills developed will be suitably applied into the organisation on return, and thus will form the basis for outcomes monitoring of the benefit to the institution. The support articulated in the action plans is essential in ensuring that the project meets it's objectives. The GoET will also contribute by providing appropriate staff to participate in the governance and operation of the Project.

Annex 2: Targeting and Delivery Options

Objective:

The overall objective of AusAID's global ADS program is to:

> *Strengthen Human resource capacity in priority sectors of partner countries consistent with country program strategies and Australia's national interests.*

As such the objective for the ADS program for East Timor needs to ensure that it fits inside this higher level objective. Although currently there is no finalised Country Program Strategy (CPS) for East Timor, the draft concepts provide an adequate basis from which to determine the priority sectors. Most notably the draft concepts articulate where AusAID will not be operating in East Timor, Education and Infrastructure.

To finalise the development of an objective for the East Timor specific objective, further work needs to be completed on the nation's Human Resource needs that fall inside of the CPS. It is envisaged that through the extensive consultations that will be undertaken on the site visit, coupled with the lessons learnt from the current ADS program, this objective will become apparent. This will then form the basis of the rest of the design.

How can we get more focussed?
East Timor's Human Resource development needs are enormous and cover a broad spectrum of areas from public sector management through to technical skills. The AusAID ADS program however is relatively small and therefore needs to be tightly focussed. Targeting the use of the scholarships to reflect the focus and provide the best outcomes, can be done at several levels:
1. <u>Category of Awardees:</u> The ADS program allows for selecting specific groups from which to draw candidates from (either exclusively or for a certain portion). This includes the Public Sector, the General Public and the Private sector (including civil society).
2. <u>Area of Study:</u> Specific areas of study can be identified that meet the prioritised HR needs of the target sectors. An example of this may be the need to target the scholarships towards candidates who are interested in studying accounting.
3. <u>Level of Study:</u> The ADS program allows for study at three levels, Tafe, Undergraduate and Post Graduate. Choosing the level that is best going to meet the skill needs in the most effective and efficient way can significantly contribute to targeting.

Although targeting greatly benefits the outcomes of the scholarship program, care needs to be taken to ensure that the themes of equity and transparency remain throughout the processes. For this design a variety of options was considered.

Category of Award: The initial ADS intake for East Timor in the year 2000 allowed for candidates to be selected from either the Public (Public Servants nominated and supported by their department) or Open (general population) categories. After the initial intake, the Public category was subsequently dropped and the entire scholarship program reverted to the Open category. There are several options for the new program:

- Move the entire ADS program to the Public category. Priority areas and levels of study would be determined based on the AusAID Country Strategy and GoET planning documents. All Government departments, authorities and secretariats, would then be encouraged to internally advertise the scholarships for nominations against the identified priorities. Applicants would need their application to be endorsed by their employer and outline an 'action plan' for the scholarship. Specifically the Action Plan would address both the organisation and individuals objectives of the scholarship and their commitment throughout the scholarship period (before mobilisation, during and post award).
  Strengths: The scholarships would be directly linked to the public sector priorities and the AusAID Country Strategy. The Action Plan would ensure that each scholarship clearly articulated it's objective and had a documented plan for post award and thus potentially mitigate issues associated with employment of return. The Action Plan would also provide a mechanism to monitor the results of the scholarship.
  Weaknesses: By specifically targeting the Public sector, the pool of potential candidates would be greatly reduced and therefore the quality of applicants may also reduce. Although there are only up to 8 scholarships per year, the average time taken per award is currently around four years and thus, a minimum of 32 public servants would be out of the workforce at any given time (AusAID supported only). Although the individuals would be receiving educational benefits from the scholarship there is also some discussion that by being out of the workforce for a considerable period of time, that they may be marginalised due to missing out on other development programs such as Portuguese language training.

- Directly link the ADS scholarship program to the other AusAID activities in East Timor. As such the ADS program would be continually promoted to all activities as a mechanism for providing capacity building support to counterparts and counterpart agencies. Similar to the Public Sector option, an Action Plan approach would be used.
  Strengths: The scholarship would be directly linked to the CPS and hence the GoET priorities. The scholarships would also augment the activities being undertaken in the priority sectors and the Action Plan would ensure that each scholarship clearly articulated it's objective and had a documented plan for post award. There would be potential for this approach to be broadened beyond AusAID activities, to support other Donor activities, as long as the activities fitted inside the AusAID CPS priorities.
  Weaknesses: Where counterpart capacity is already weak, targeting scholarships to counterparts may weaken the capacity further to the detriment of the activity. Similarly to the Public Sector approach, the pool of potential candidates would also be decreased which may negatively affect the quality of the candidates.

- Following the same model as option one and two, target the scholarships to civil society (NGOs, Churches etc) again in the sectors prioritised in the CPS.
  Strengths: The Non Government sector would be strengthened in the targeted sectors and the Action Plan would allow for the successes to be monitored. This may complement other donor efforts focussing on the Public sector.
  Weaknesses: The Public sector would not directly be receiving any capacity building support and the capacity of the NGO sector is currently not know (by the design team).
- Continuing with the current model of open awards, but reviewing the priority areas. A possibility would be to look at any forecast labour market needs and focus the scholarships around these priorities.
  Strengths: This approach greatly increases the potential pool of applicants and therefore should maximise the quality of awardees.
  Weaknesses: This approach is not specifically tied to any capacity building objectives and as such the only measurable benefit is to the individual. There is no way of directly identifying any higher level benefits. There is also no control over whether the skills learnt are appropriately.
- Combining any of the above combinations.

Area of Study: Specific areas of study can be identified that meet the prioritised HR needs of the target sectors. These areas of study need to be considered in line with the category of award and the level of study, and then identified based on the articulated priorities of East Timor and AusAID.

Level of Study: The existing ADS program offers awards for Undergraduate and Post graduate study. However, several students, who have been offered places as undergraduates have not met the University entrance requirements and as such have been studying at Tafe generally with the ambition of articulating to university.

Globally ADS is very much focussed at Post Graduate level (current estimates for the 2006 entry are 88% post graduate, 6% Tafe and 6% Undergraduate).

Future ADS programs in East Timor may want to target more specifically the level of study to match the actual competency requirements of the priority areas. This can be done either by setting a quota for the different levels or excluding one of two of the levels.

Preliminary analysis undertaken on the current ADS program demonstrates that there is a higher level of problems associated with the undergraduate students. There is also anecdotal evidence to suggest many of the skill needs could be best met by Tafe level training.

Risks:
All but two (Victoria University and Flinders University, IELTS 6) of the contracted universities require IELTS scores of 6.5 for undergraduate and post graduate. Tafe generally are requiring an IELTS of 5.5. Of the East Timor applications for ADS, very few applicants are reaching these scores with examples of awardees with scores of 4.5 being selected.

A general rule of thumb is that it takes around 1 year of intensive study to increase an IELTS score by 1 point. Currently East Timor does not have any English Language

training centres that have the resources to provide this type of training and as such, the ADS awardees are undertaking their study in Australia. Sometimes this is at their institution of preferred study and other times at Victoria University.

To maximise the training outcomes of the selected ADS awardees, it is important to ensure that the English language requirements are attainable and any language training is conducted in the best available setting. The first step to ensuring that awardees can reach the required IELTS entry levels in a satisfactory time frame is to set minimum application levels. The exact level would need to be looked at as part of the final design however common practise would suggest that the level be set at 1 point below the entry point for the chosen area of study.

Selecting the best avenue to provide the training is also important. Several options are available:
1. Continuing on training in Australia at the institution of award.
   Strengths: Allows for immersion and minimises disruption prior to commencing academic study.
   Weaknesses: Is expensive (fees plus stipend) and creates issues for students who do not achieve the required levels in an appropriate timeframe. (Should they be sent home, allow to downgrade their area of study or extend the English language training?) There is also potential for culture shock to impact on learning outcomes.
2. Identify Third Country training options (like Indonesia).
   Strengths: Unit costs may be lower and it creates a distinct break where scholarships could be cancelled if performance is not satisfactory.
   Weaknesses: Creates another level of management, pastoral care may be difficult and increases family disturbances.
3. Develop a training facility in Dili. This could be specifically for the purposes of the ADS students only.
   Strengths: Will allow more students than required to be trained thereby increasing the chance of success. It would also reduce disturbances to the family and should be considerably cheaper per student.
   Weaknesses: May be expensive to set up and have other implications to the AusAID program.

Another major risk that has been identified with the past and current ADS awardees is the low level of science and mathematic knowledge. The current program has sent several awardees to Australia to undertake Foundation studies for up to 1 year (it appears that East Timor is the only country to do this under the ADS program). This has not always been successful with students failing completely and also not achieving the levels required to enter their selected field of study.

Possible Management Options:
Detailed analysis of possible management options cannot be undertaken until further identification of the problem and solutions are complete however options that need considering are:
1. Continuing the model of an MC administering and managing the selection, mobilisation and M&E of the program. Some modifications may be needed looking at staggered inputs from Australia, increasing the role of Timorese citizens etc.

2. Identifying a Timorese organisation that can manage the program on behalf of AusAID.
3. Returning the role of selection, mobilisation and M&E to the AusAID Post.
4. Appropriately positioning the program inside the GoET for their administration and management.
5. Adding the role onto other existing structures or projects.

Annex 3: Risk Management Matrix
Risk Management Matrix

Risk	Impact on Project	L	I	R	Risk Treatment	Responsibility	Timing
Inconsistent and changing representation on the PMG ADS COMMITTEE	Decrease overall outcomes by reducing the opportunity for the provision of a strategic direction.	M	M	3	Continue to build commitment of stakeholder agencies through communication and briefing.	PD	Ongoing
Other donors offering scholarships in similar departments and in similar areas of study.	Inefficient use of resources, and possible lowering of quality of prospective scholarships.	M	M	3	Ongoing liaison with other donors seeking guidance from AusAID if required.	PM and PD	Ongoing
Cultural and institutional influences impede achievement of gender equity	Training benefits reduced through inequitable outcomes	M	H	3	GAD incorporated into all activities.	PM and PD	Ongoing
ADS policy, procedures and practices are not in place	ADS program is ad hoc and not transparent or accountable to stakeholders	H	H	4	Establishment and subsequent implementation of procedures on mobilisation and continuos modification to take into consideration lessons learnt during implementation.	PM and PD	Ongoing
Apparent nepotism and/or 'political' intervention in the	Reduces the impact of the scholarship by not	M	M	3	Publicity and selection processes implemented and	PD	Ongoing

Risk	Impact on Project	L	I	R	Risk Treatment	Responsibility	Timing
selection process.	necessarily directly addressing the identified HRD needs.				continually monitored by the PD to ensure transparency.		
Insufficient information on award available public servants.	Insufficient numbers and low quality applicants for the scholarships.	M	M	3	Development and implementation of a detailed publicity strategy	PD and PM	Ongoing
Lack of clarity about priorities which underpin the identification of the ATS.	Lack of direction provided by ATS	M	M	3	Sound consultation with GoET and AusAID in development of ATS	PD and PM	Ongoing
Inadequate ADS awardee selection	Inappropriate selections of awardees leading to reduced development outcomes.	M	M	3	Ensuring that there is adequate impartial monitoring of the process and continual update of processes to improve transparency.	PD	Ongoing
Candidates do not meet the required IELTS levels	Scholarships will not be able to be awarded and awardees with the minimal IELTS requirements may struggle to complete their program on time.	H	H	4	Extensive publicity and consultation with HR managers to ensure adequate and appropriate applications are received.	PM	Ongoing
Opportunities for awardees to apply skills, knowledge constrained by lack of support from employing agency or through limited options within the labour market on return for those	Facility goal, development outcomes not achieved.	H	M	2	ADS priorities reflect organisation HRD needs as articulated in the ATS. Action Plans articulated the desired objectives (individual and organisational) for the award and provide a commitment for	PM and PD	Ongoing

Risk	Impact on Project	L	I	R	Risk Treatment	Responsibility	Timing
without employment					the utilisation of the skills post award.		
Low levels of information absorption at PDBs.	Awardees not being adequately prepared for living in Australia with an impact on mobilisation and settling into Australian environment	M	M	3	Implementing PDBs with different formats and utilising different activities to disseminate information.	PM	Ongoing

Key: L = Likelihood   L = Low, M = Medium, H = High
      I = Impact   L = Low, M = Medium, H = High
      R = Risk Level   1 = Low, 2 = Medium, 3 = Moderate, 4 = Extreme

Annex 4: Action Plan Template

East Timor ADS Project
Action Plan *(Example with Indicative Data)*

Institutional Objective: **To provide the Department of the Prime Minister with an International Policy Specialist capability.**

Individual Objective: **To gain Masters Qualifications in a relevant field.**

	Pre-Scholarship		During Scholarship		Post Scholarship	
	Responsibilities	Indicators	Responsibilities	Indicators	Responsibilities	Indicators
Institution	- Approval of application - Agreement with scholar action plan	- Yes/no - Yes/no	- Liaison with scholar - Monitoring performance/ achievements of scholar	- Scholar aware of organisational changes - Effective utilisation of knowledge gleaned from student	- Placement in an appropriate role to utilise skills - Effective utilisation of skills	- Position description - Results of tracer study
Scholar	- Apply for course inline with HRD needs of Organisation - Preparation of	- Yes/no - Action Plan with	- Complete study program - Action plan followed	- Qualification awarded - Activities completed	- Take up allocated position - Effective	- Yes/no - Results of tracer Study

	detailed action plan	organisation			utilisation of skills	
ETADSP	- Transparent selection of scholarship - Provide pre-departure briefings	- Results of Process Monitoring - Results of process monitoring	- Liaison with organisation	- Yes/no	- Undertake Tracer Study - Ensure adherence to Charter agreements	- Tracer Study report - Compliance with agreements

Scholar   **Institution**   **ETADSP**

J.   Annex 5: Summary Logical Framework Matrix

Level/ Code	Component/Output/Activity	Verifiable Indicators	Means of Verification	Assumptions
Goal	A functional Public Sector in East Timor with the required skills and competencies to fulfil their organisational objectives.	Public sector achieving their objectives as defined in their corporate plans or SIPs.	Analysis of the targeted organisations achievements of their Corporate Plans or SIPs to ascertain changes both positive and negative.	
Purpose	To identify, select and train individuals in the GoET Public Sector that provide solutions to identified HRD priorities in the agreed focus areas of the GoET and AusAID.	Training outcomes for individuals shown by indicators of confidence, knowledge, competence, preparation for succession and employability. Capacity building outcomes evidenced by indicators of performance, behaviour and productivity. Training delivered in accordance with the areas of agreed focus. Government training plans covers all areas of focus that the ATS articulates.	Survey and tracer studies of returned awardees. Survey of executives of sponsoring organisations. Audit of scholar portfolios and approved work plans to confirm conformity with ATS. Comparison of ATS with the government training plans plans.	Areas of agreed focus continue to correspond with the organisational needs for an improved public sector.

COMPONENT 1 – PROJECT MANAGEMENT AND STRATEGIC DIRECTION				
Level/ Code	Component/Output/Activity	Verifiable Indicators	Means of Verification	Assumptions
Objective 1	To facilitate effective governance and strategic direction of the Project and provide efficient operational management.	PMG ADS COMMITTEE involvement in decision making and ownership of the Project's Strategic direction and operations. Project outputs achieved in line with the implementation and resourcing schedules in the Annual Plan. Number of returned awardees still in the public service and/or in the East Timorese workforce.	Review of PMG ADS COMMITTEE minutes to identify decisions made that affected strategic direction and operations. Review of progress against the implementation and resourcing schedules in the relevant Annual Plan. Tracer study of returned awardees.	That awardees will continue to contribute to the National interest on return.
Output 1.1	A strategic and functional governance arrangement operating through the PMG ADS COMMITTEE.	PMG ADS COMMITTEE operating in accord with their approved Terms of Reference.	Frequency of meetings, consistency of attendance and minutes containing a record of decisions.	
Main Activities				
	Two PMG ADS COMMITTEE meetings per annum.			
	Minutes distributed and agreed.			
Output 1.2	Annual Training Strategy developed in line with GoA and GoET priorities.	ATS prepared using GoET and GoA priorities.	Acceptance by PMG ADS COMMITTEE as indicated in the minutes on file and incorporated in the Annual Plan.	
Main activities				

	Prepare ATS 2005-2006			
	Prepare ATS 2006-2007			
	Prepare ATS 2006-2008			
Output 1.3	Annual plans developed in line with AusGUIDE and approved by the PMG ADS COMMITTEE.	Annual Plans prepared and submitted to AusAID.	Written Acceptance by AusAID after consultation with PMG ADS COMMITTEE.	
Main Activities				
	Prepare Annual Plan 2006			
	Prepare Annual Plan 2007			
	Prepare Annual Plan 2008			
Output 1.4	A comprehensive outcomes, process and outputs M&E framework finalised and used.	M&E framework developed that covers all activities and scholarships. M&E Framework used to prepare all required project reports. Lessons Learned identified through the M&E framework documented.	Endorsement by PMG ADS COMMITTEE. All reports approved by AusAID and the PMG ADS COMMITTEE. Appropriate Lessons Learned identified and used to update the ATS and Annual Plan.	
Main Activities				
	Finalise M&E framework			
	Utilise M&E framework			

Output 1.5	A Project operations guideline and quality plan produced and followed.	Quality plan developed. Operations manual developed and used.	Endorsement by PMG ADS COMMITTEE. Continuous procedures audit of the operations manual by the FD, looking at procedures compliance and updates evidenced in the Table of Contents.	
Main Activities				
	Develop quality plan			
	Develop operations manual			
	Make all decisions in line with operations manual.			

Level/Code	Component/Output/Activity	Verifiable Indicators	Means of Verification	Assumptions
	COMPONENT 2 – AUSTRALIAN DEVELOPMENT SCHOLARSHIPS IMPLEMENTATION			
Objective 2	To select and place suitably qualified East Timorese candidates in long term in-Australia tertiary courses in accordance with the agreed HRD and capacity building focus.	Annual allocation of ADS selected as per the objectives identified in the ATS. Individual long-term candidates placed in Australian tertiary institutions in relation to the ATS.	Percent of scholarships in line with ATS identified through a review of action plans. Comparison of awardees with the ATS.	That there are suitable candidates and interest to place qualified candidates in long-term Australian tertiary courses in accordance with the ATS.
Output 2.1	Adequate information available to prospective applicants and awardees.	Up-to-date and relevant ADS information available to prospective students. Calendar of events prepared, distributed to stakeholders and adopted.	Results of an annual survey of awardees on relevance and availability of information to assist in their decision making. Process audit of calendar events to determine compliance.	
Main Activities				
	Collection and dissemination of appropriate information.			
	Preparation and distribution of an annual calendar of events.			

Output 2.2	Students selected transparently in line with the ATS.	Annual allocation of ADS selected in accordance with the ATS.	Comparison of list of ADS awardees with their action plans and the ATS.	
		Number of Expressions of Interests by gender and category of award.	Taken from the ADS database and analysed and presented in the Annual Selection Report.	
		Number of short-listed applicants determined in the first selection compared with the total number of applicants and reasons for rejection.	Taken from the ADS databases and analysed and presented in the Annual Selection Report.	
		Numbers of candidates selected for long-term training that are not in accordance with the target strategy priorities.	ADS data on awardees compared with the priorities of the ATS	That stakeholders accept the need for targeted training following a transparent and equitable selection processes
Main Activities				
	Advertising and publicity in line with Publicity Strategy document			
	JST screen applicants against criteria and shortlist prepared			
	Conduct final selection including IELTS and ISAT testing and interviews			

Output 2.3	ADS awardees placement and mobilisation achieved in a timely manner.	All priority applicants placed in appropriate course in accordance with ADS guidelines.	Data on SIMON indicating the number of awardees not meeting the deadline for Request for Placement to Institutions.	
		Annual SMS survey providing evidence of student satisfaction of support services provided by ETADSP.	Satisfactory evaluation of ETADSP services reported in annual SMS Student Survey.	
		Percentage of successful awardees mobilised prior to commencement of courses (including the IAP).	Comparison of departure date of awardee with commencement date of the IAP as held on SIMON.	
		Institutional satisfaction with ETADSP's efficiency in placement and mobilisation.	ETADSP performance questionnaire assessing ADS student placement and mobilization process to determine institutional satisfaction with ETADSP's efficiency.	
Main Activities				
	Arrange placements with university.			
	Support visa application process.			
	Organise travel arrangements.			
	Conduct Pre Departure Briefings.			

Output 2.4	ELT options presented, and implemented in time for the first cohort of ADS students.	A coherent and comprehensive report on issues and options including recommendations. Number of students undertaking ELT in the preferred option on time.	Acceptance of report by PMG ADS COMMITTEE. Comparison of data between report recommendation and location of ELT students from first cohort.	
Main Activities				
	Scoping options for ELT documented			
	Option mobilised and organisation contracted			
	ELT undertaken			

Annex 6: Terms of Reference

ADS PROJECT DIRECTOR (CDP PROGRAM MANAGER)

The Project Director is responsible for the overall performance of the Project. She/he will be required to lead the strategic planning of the Project and provide a Quality Assurance role including the implementation of an outcomes based Monitoring and Evaluation framework.

Reports to: AusAID Dili

1.13.1 Duties and Responsibilities

- Lead the development of the Annual Training Strategy (ATS) including consulting with stakeholders from GoET and GoA and other relevant donors.
- Ensure the Project is implemented in accordance with the Annual Training Strategy and Project objectives.
- Participate as the Project's representative at the Joint Selection Committee meetings.
- Fulfil the role of Secretariat to the PMG ADS Committee.
- Ensure that all selections are made transparently, documented and in accord with the ATS.
- Support the Project Manager in the design and delivery of Pre Departure Briefings.
- Work closely with all Project counterparts and staff to coordinate the effective implementation of the ADS Project.
- Finalise the Project Monitoring and Evaluation Framework and ensure that it covers, outputs, processes and outcomes.
- Implement the M&E framework, including collecting and analysing data.
- Maintain close liaison with AusAID at the Post in Dili.
- Provide a Quality Assurance role for all project documentation including Annual Plans, Progress Reports, ADS Calendar of Key Dates and ADS Statistical Report.

Experience and qualifications:

Essential
- Undergraduate degree (Post graduate preferred) in a relevant field.
- Knowledge and experience of AusAID requirements and procedures.
- Sound understanding of the Tertiary Education System in Australia.
- Fluency in English and excellent report writing and communication skills.
- Extensive experience in Monitoring and Evaluation for Capacity Building activities.
- High level computer literacy including MS office and database applications.
- Ability to work with a range of stakeholders including local and international organizations, government authorities etc.

Highly Desirable
- Knowledge of Tetum, Portuguese or Indonesian.
- Experience in the management of scholarship programs (preferably ADS) for organisational HRD.
- Experience in teaching English as a second language.
- Experience in IELTS and ISAT testing.

ADS PROJECT MANAGER

The project manager is responsible for all day to day management and operation issues of the project. She/he will be required full time for the length of the project and will be required to develop and run the project processes and systems including the establishment of an appropriate office.

Reports to: Project Director

1.13.2 Duties and Responsibilities

- Manage and coordinate the delivery of the East Timor Australian Development Scholarships Project (ETADSP) as detailed in the Scope of Services, on time and within budget.
- Support the Project Director in the development of the Annual Training Strategy.
- Review the existing ADS promotion and selection processes and draft new strategies in line with the ATS, for approval by the PMG ADS COMMITTEE.
- Revise and develop the Project administrative systems and ADS documentation.
- Develop a strategy for efficiently disseminating information about tertiary courses in Australia.
- Manage the ADS cycle of activities including promotion, selection, English Language training and mobilisation.
- Work closely with all Project counterparts and staff to coordinate the effective implementation of the ADS Project and jointly resolve day-to-day Project related problems and issues.
- Maintain close liaison with AusAID at the Post in Dili.
- Prepare key documents, studies and reports relating to ADS in consultation with the Project Director, including Annual Plans, Progress Reports, ADS Calendar of Key Dates and ADS Statistical Report.
- Organise and carry out all alumni activities.
- Support the Project Director in implementing the M&E framework, including collecting and analysing data.
- Ensure that all data is entered into SIMON in a timely and accurate manner.
- Develop and maintain other databases required for the effective analysis of information collected from the M&E framework that supports the delivery of the project.

Experience and qualifications:

Essential
- Undergraduate degree (Post graduate preferred) in a relevant field.
- Extensive experience working with bilateral donor agencies.
- Understanding of the Tertiary Education System in Australia.
- Fluency in English and Tetum.
- Excellent report writing and communication skills.
- Financial and administrative / documentation management experience.
- High level computer literacy including MS office and database applications.
- Understanding of Project management including monitoring and evaluation.
- Capacity to implement the Project according to AusAID procedures and requirements.
- Ability to work with a range of stakeholders including local and international organizations, government authorities etc.

Desirable

- Knowledge and experience of AusAID requirements and procedures
- Experience in teaching English as a second language.
- Experience in IELTS and ISAT testing.
- Knowledge and experience in human resource capacity development.

Annex 7: Monitoring and Evaluation Framework

The Monitoring and Evaluation framework for ETADSP has been designed with the following guiding principles:

- Ensuring simplicity in the process of collecting, presenting and analysing data
- Utilisation of baseline and targets
- Provision of information to support management decision making
- Provision of information to demonstrate outcomes achievement, and
- Cost efficiency.

It has been designed to focus on three levels;

i. *Outcomes and Impact:* as the monitoring of the development outcomes (impacts) of the project. They specifically relate to the achievement of objectives at Goal, Purpose and the Component Objective levels in the LFM.

ii. *Outputs monitoring:* as the monitoring of results of physical outputs planned to be produced by the Project, such as the production of the annual training strategy, a calendar of events, ADS awardees mobilisation etc.

iii. *Process monitoring:* as the measurement of the efficiency and effectiveness with which the outputs are produced in accord with the management procedures and quality protocols as defined in Project design documentation.

1.13.3 Structure of the M&E Framework

The Logical framework matrix (LFM) and Risk Management Matrix will form the basis for the ETADSP. The LFM has identified indicators and means of verification for Goal, Purpose, Component Objective and output levels including the design assumptions. A simple matrix will be used as a monitoring framework to present the different information collection requirements and the relative progress against these indicators. The matrix will have the following headings (sample data is also included for reference):

Objective/Output/Activity/ Risk/Assumption	Indicator	Means of Verification	Target Performance	Baseline	Current Performance
To develop the East Timor Public Services' human resource capacity in areas of agreed focus by GoET and AusAID.	Training delivered in accordance with the areas of agreed focus.	Audit of scholar portfolios and approved work plans to confirm conformity with ATS.	All training (100%) delivered in line with the areas of agreed focus.	Not applicable	7 of the 8 scholarships for 2006 were inline with the ATS.
Annual plans developed in line with AusGUIDE and approved by the PMG ADS Committee.	Annual plan submitted to AusAID and PMG ADS Committee	Written approval of the annual plan	2 = 1 per year	0	1

1.13.4 Indicators and Means of Verification

The indicators in the LFM are critical. The identification of the indicators is as important as specifying the objectives for the project. The identification of the indicators and their means of verification is a process involving discussion and agreement. The indicators presented in the PDD need to be confirmed and clarified as part of the inception report preparation. Indicators for risk should also be developed and included in the monitoring framework.

Indicators once agreed must be given a quantitative or qualitative dimension. For example a quantitative indicator would be students selected in line with the ATS, whilst a qualitative indicator would be improvements in employee performance. Providing a tangible element to the indicator in the form of a target makes it obvious where a baseline of data or information is required to enable a comparison of what is with what has resulted from the investment.

1.13.5 Risks and Assumptions

Risks and design assumptions are particularly important for a monitoring framework. The development of indicators for risks and assumptions allows management to monitor the validity of the assumption and the incidence of risk, and subsequently make management decisions on the mitigation or management of any threats to the achievement of the Project's objectives.

1.13.6 Baseline Data

Following the finalisation of indicators and MoV, baseline data for all relevant indicators (some indicators will not have an appropriate baseline such as in the example above) will be collected in the first quarter and presented in the monitoring framework. Subsequent data collection to monitor progress against the indicators should be collected in the same way to ensure validity for comparison.

1.13.7 Utilisation of the Monitoring Framework

The information presented in the monitoring framework will be used in three ways:

- Day to day management: much of the information will support the Project management (including the PMG ADS COMMITTEE) in their decision making on areas for improvement or refinement. For example, following the first years selection, data taken from the action plans demonstrates that only a small portion of the selected awardees are undertaking study in areas that meet the requirements of the ATS. Therefore management will be aware that both the ATS and selection process will need to be reviewed for appropriateness and integrity.
- Quality assurance: many of the indicators in the monitoring framework represent small milestones for the MC to achieve, for example mobilising awardees on time, or processes to be undertaken. Reviewing the data on achievement of these indicators will present information on the performance and quality of the MC's services.
- Outcomes achievement: the indicators at the goal and purpose levels attempt to measure the level of objective achievement. Although any conclusive evidence on achievement will take some time, assessment of potential for achievement can be made using these indicators and help management in directing the project.

Tools to be used

Once the indicators and means of verification have been finalised, the tools used for data collection are essential to ensure accuracy and validity of data. Scholar portfolios and the Action plans will form an excellent information source. Using the existing indicators in the LFM the following are some of the tools required for the ETADSP:

- Tracer studies and surveys of awardees and sponsoring organisations, ALOs and the PMG ADS COMMITTEE.

- Analysis of Scholar portfolios, Action Plans and ADS statistics.
- Process audits of the operations manual, calendar of events etc.

Reports to be Produced

A variety of reports are required to be produced as part of the M&E framework. They are:

- Inception Report
- Annual Plans
- Annual Training Strategy
- Publicity Strategy Document
- Operations Manual
- ELT Issues and Options Report
- Annual Selection Report
- Annual Student Progress Report
- Annual ADS Statistics Report
- Project Completion Report

Review

A Mid Term review of the Project is recommended after 30 months. The review will be required to assess progress against the project objectives and Scope of Services. If appropriate, the review should also provide a detailed proposal outlining the process and requirements for any changes to the ETADS design.

Annex 13: <u>INDICATIVE</u> Cost Schedule

East Timor Public Sector Management Capacity Building Program
Cost Schedule

	Unit	# of units	Unit Cost	Total	Year 1
Direct Program Management Costs					
Personnel					
Program Manager	P Mo	60	20,000	1,200,000	240,000
Activity Manager	P Mo	60	13,000	780,000	156,000
Organisational Development Adviser	P Mo	24	16,000	384,000	192,000
Training and Capacity Building Adviser	P Mo	60	16,000	960,000	192,000
M&E Specialist	P Mo	2	27,000	54,000	54,000
ADS Manager	P Mo	60	5,000	300,000	60,000
Administrative and Support Staff	per yr	5	50,000	250,000	50,000
Translators/interpreters	per yr	5	50,000	250,000	50,000
Sub total Personnel				*4,178,000*	*994,000*
Procurement					
Vehicles		3	45,000	135,000	135,000
Computer		8	3,000	24,000	24,000
Photocopier		1	5,000	5,000	5,000
Printer		2	1,000	2,000	2,000
Scanner		1	200	200	200
Software		1	5,000	5,000	5,000
Mobile Phones		8	400	3,200	3,200
Office Furniture		1	10,000	10,000	10,000
Sub-total Procurement				*184,400*	*184,400*
Operating Costs					
Office rental	month	60	2,500	150,000	30,000
Utilities, telephone, internet and power	month	60	700	42,000	8,400
Language training	month	30	2,000	60,000	12,000
Advertising, publicity and promotion	year	5	5,000	25,000	5,000
ADS specific advertising, publicity, promotion	year	5	10,000	50,000	10,000
Vehicle operating and maintenance	year	5	2,500	12,500	2,500
Stationary, postage and courier	month	60	1,500	90,000	18,000
Publications and printing	month	60	500	30,000	6,000
Office security, cleaning and maintenance	month	60	1,000	60,000	12,000
Sub-total Operating Costs			*25,700*	*519,500*	*103,900*
ADS costs					
ADS Software packages		2	1,500	3,000	3,000
ADS O/S travel costs	Student	40 (8/year)	2,100	84,000	16,800
IELTS fees	Year	5	25,000	125,000	25,000
ISAT fees	Year	5	6,000	30,000	6,000
Selection process + local adviser fees and venue	days	5	8,000	40,000	8,000
English language sub-contracts	year	5	32,895	164,475	32,895
Bali student	year	3	11,316	33,947	11,316
Sub-Total ADS costs			*86,811*	*480,422*	*103,011*
Sub-Total all Program management Costs				*5,362,322*	*1,385,311*

Program Management Fee

All in-Australia management costs, plus on costs and margins for MC

	Unit	# of units	Unit Cost	Total	Year 1
Airfares		12	2,500	30,000	10,000
Other visit expenses		12	1,470	17,640	5,880
Contractor Representative	months	10	10,000	100,000	20,000
Finance and Admin Support	months	10	10,000	100,000	20,000
50% of margin	unit	1	875,000	875,000	175,000
Sub-total PMF				*1,122,640*	*224,528*

Activity Management Fee