

1. IMPLEMENTATION STRATEGY AND WORK PROGRAM FOR JULY 2011/FEBRUARY 2012

1.1 Implementation Strategy

The updated Implementation Strategy for PSCDP recognises the need for PSCDP to demonstrate sustainable achievement in priority areas of the GoTL public sector reform agenda. While it is acknowledged the long-term nature of capacity development and, in turn, the equally important but more difficult question of how much the effect of change can be attributed to PSCDP activities, PSCDP, through its revised PMF and M&E reporting has endeavoured to develop an evidence-based argument for the changes PSCDP is intended to support.

This imperative is again reflected in the planned PSCDP activities for 2011/February 2012. Through the truncated Annual Plan, to reflect the short term contract extension, PSCDP will further rationalise its Activities and support to better target both 1) the sustainable achievement of the overarching Program Goal, Purposes and Objectives and 2) key areas of support as determined by GoTL priorities, the AusAID Country Strategy and in particular the recommendations of the AusAID Proposed Reform of PSCDP to June 2011.

For the eight month period this will lead to:

- Focus on four key central agencies - Office of the Prime Minister; the Civil Service Commission and Secretariat; the Ministry of State Administration and Territorial Management (including National Institute of Public Administration and the decentralisation agenda of the Government) and the Ministry of Finance (Post-Accra Agenda, Aid Effectiveness Directorate) – this ultimate support (i.e. to MoF) will be administratively managed through PSCDP, although it should be noted the actual funding of this support is from alternate sources via AusAID, Canberra (the Fragility and Conflict Unit) and is not a draw on the Program imprest account.
- Support to the implementation of the regulatory framework for the public sector across a number of selected Ministries, in particular HR management and development.

PSCDP will continue to consider the full range of modes of assistance mentioned in the HC and referenced in some detail in the Program Completion Report and continue to adopt the mode that is determined to have the most significant impact and value for money. There has been a conscious effort by AusAID and PSCDP to reduce the number of International TA over the past twelve/eighteen months in line with the AusAID initiated TA review conducted in mid 2010. Other modes of support are proposed below.

In order to enhance its focus on capacity development, PSCDP also intends to:

- Work with Advisers and counterparts to develop and implement agreed capacity development plans at the activity level, ensuring capacity development and sustainability objectives are clearly articulated and understood, and explicitly contribute to Program Objectives. For the remainder of the Program and the short term extension, support to the CSC should have a primary focus on capacity development of individuals/units in both the

CSC Secretariat and line Ministries – using the implementation of policies and strategies as the basis for the capacity development.

- Continue informing the PMF to report on Advisers/activities capacity development plans, and assessing adviser/activity performance against capacity development outcomes
- Provide opportunity for Ministry personnel and National Advisers to make full use of their training and facilitation skills developed by attending a Certificate IV in Workplace Training and Assessment, e.g. prepare them to run dissemination programs in their ministries/agencies. These three programs have provided some 65 participants with the necessary skills to develop and conduct training sessions. Further supported by mentoring from the International Advisers these opportunities will develop skills in those National Advisers to sustainably assume many of the responsibilities currently performed by International Advisers.
- Continue to explore and increase the number of alternative, more cost-effective modes of development. This might include different sources for TA such as the AYA (a third AYA to support the CSC is due to commence in May 2011), increased focussed training programs through funding of certain civil service positions (e.g. trainer positions at INAP), building on the recently established GGIP within the civil service for returning ADS/NZDS awardees and increased sharing of information across Program and other donor advisers, study tours to possibly Indonesia to see firsthand options and implementation of decentralisation programs and potentially conducting a seminar on successful public sector reform initiatives from other regional jurisdictions .

1.2 Work Program

PSCDP's Work Plan for the period July 2011 to February 2012 is set out in Annex 1. A summary of key aspects of the Plan is presented below.

Objective 1: Strengthen Capacity of Personnel, Systems and Processes of Central Agencies:

The defining characteristic of much of the work carried out by Central Agencies is their strategic influence on the functioning of the civil service and of Government as a whole. When the central agencies work effectively, they exert influence across the whole of the civil service and government, that is, their influence is systemic. The work related to strengthening the capacity of Central Agencies will continue throughout the short term extension of Phase I of the Program.

PSCDP has supported a Senior Policy Adviser (International) and a National Adviser in the **Office of the Prime Minister** for the past three years. This support has recently been extended until 31 December 2011 so as the support does not extend into 2012 – an elections year in Timor-Leste. These positions were instrumental in developing legislation for the establishment of an Anti Corruption Commission and reviewing legislation with a view to strengthening the role of the Office of the Inspector General, although this support has now passed. Additionally the positions provide secretariat and administrative support including logistics, speech-writing and correspondence.

The Civil Service Commission (CSC) was the key priority announced by the Prime Minister when he declared 2008 as the “*Year of Administrative Reform*”. The role of the CSC is to advise the Government on the efficiency and effectiveness of public administration and in the management and development of human resources. It is also mandated to ensure merit based appointment and

promotion, develop training and development policies and framework and be responsible for grievance resolution, discipline, classification of roles, subsidies and other workers rights.

In 2010, PSCDP commissioned a body of research into PSCs in Post Conflict Fragile State Context – Barriers and Pathways to Success. This paper informed the broader concept design review of the Program in late 2010 and will no doubt influence the level and type of support to the CSC and Secretariat going forward.

Much work has been done in establishing systems and procedure of the CSC, however with the CSC preferably moving from an implementing body to a policy development and regulatory type body the Secretariat staff (which is yet to be fully established) need considerable on-going support. PSCDP initially engaged four International Advisers (HRM, HRD, Internal Governance and Legal and Disciplinary) and three National Advisers to provide the support. With additional support required to support the CSC core business functions related to HR (both HRM and HRD) and provide focussed support to Ministries in implementing the established systems and procedures (see additional comments under Objective 2), some of these original positions will need to be rationalised.

CoM has recently approved amendments to the four supplementary regulations – Career Regime, Leave, Performance Evaluation and Recruitment and Selection - to the Civil Service Act. The implementation and dissemination of these amendments will provide an opportunity for the Program to endeavour to influence some much needed reduction in the complexity and bureaucracy of the application of the regulations. Some options include reviewing the links of level to tertiary qualifications, introducing alternative career progression criteria, adjusting the permanent staffing cap/s, implementing previously approved equitable, merit based mechanisms to transition certain temporaries to permanent status and controlling staffing numbers and unwarranted salary increases. Much work will need to be done with staff of the CSC to disseminate and implement the changes.

PSCDP has also recently supported the establishment of a program (GGIP) which offers civil service internships to returning ADS/NZDS awardees, particularly those who were not employed when they were awarded the scholarship, in an effort to ensure these tertiary educated individuals are attracted to and retained within the civil service. PSCDP will continue to support and expand the GGIP in with a view to the CSC taking some responsibility to manage this longer term.

Considerable Program support has been provided to the **Ministry of State Administration and Territorial Management, primarily through INAP.**

PSCDP commissioned a Functional and Organisational Review of INAP in late 2010 with an objective to review the organisation and functioning of INAP and propose recommendations to enhance its capacity to implement its core mandate in support of the Government's administration reform agenda, specifically relating to training delivery to public servants.

Flowing from that review, the Program is currently recruiting advisory support for investigating alternate delivery models and strengthening management and organizational skills in **INAP.**

Whilst earlier Program support was initially intended to support the development of reconversion courses required under the Career Regime, PSCDP consciously developed modules that could be

used for that purpose, induction, promotion or fundamental civil service developmental training. This has been a particularly labour intensive activity which has the potential to make significant changes to civil service performance once the training programs are rolled out and conducted regularly.

PSCDP has more recently funded (for up to two years) the contracting of a Senior Trainer and a Trainer. It was hoped to attract 3 Senior Trainers and 3 Trainers – currently re-advertising to fill the full complement. There is an argument to recruit an additional Training Co-ordinator TA to support this new cohort of trainers and the other temporary trainers contracted by INAP in an effort to maximise the delivery of the 14 Program supported modules for Administrative staff and Senior Managers. Alternate delivery options as mentioned above might also be considered although with the short term nature of the extension it is anticipated these new delivery options may take longer to establish.

Mick Foster (Improving the Provision of Basic Services for the Poor: Linkages with broader Public Sector Reform – East Timor case study for AusAID) was highly complimentary of the modules developed and recommended a major scaling up of the modular competency based courses already developed, going so far as to say the training should be made compulsory.

Other donors are providing technical support to the decentralisation process (e.g. UNCDF) within MoSA&TM, while noting the GoTL's decision to postpone decentralisation until 2014. PSCDP has supported a Senior Management Adviser and a legal adviser position within MOSATM, however the incumbent legal adviser has recently resigned.

This resignation provides an opportunity to rationalise Program support to the Ministry. The Senior Management Adviser position will be funded through until December 2011. PSCDP understands the MoSA&TM has sought legal advisory support from UNCDF, however AusAID propose to meet with the MoSA&TM to consult him with respect to future support.

The **Ministry of Finance** established an Aid Effectiveness Unit primarily responsible for the coordination of aid and consultation with stakeholder, including the Timor-Leste Development Partners Meetings. Additionally the unit is responsible for monitoring the Principles for Good International Engagement in Fragile States. The Minister is currently Co-chair of the g7+. Support for the Post-Accra Agenda, Aid Effectiveness Directorate is administratively managed through the Program although it should be noted the actual funding of this support is from alternate sources via AusAID, Canberra and is not a draw on the Program imprest account. AusAID is proposing to investigate options to direct fund GoTL for any on-going support, which would remove this role from the Program, albeit by way of an administrative arrangement prescribed above.

As an interim administrative arrangement pending the establishment of appropriate funding mechanisms between AusAID and MoF, PSCDP will in all likelihood facilitate the contracting of a number of Project Managers/Engineers in the newly established Major Projects Secretariat.

In view of an agreement between the Australian Minister for Foreign Affairs and the President of the Republic of Timor-Leste PSCDP will fund an advisory role in support of the Creative Initiatives Unit within the Office of the President until 1 December 2011, with no opportunity of an extension to such support.

Objective 2: Support the Establishment and Implementation of a Regulatory Framework for the Public Sector, including human resource advice to line ministry capacities:

The work related to the Regulatory Framework will continue to have a primary focus on supporting the implementation of the amendments to the four supplementary Regulations issued by way of Decree Laws under the Civil Service Act to give effect to the role and responsibilities of the CSC and remove Ministers from decision making with respect to individual civil servants.

It was originally intended the HRM adviser in the CSC be replaced and two HRM 'Outreach' Adviser supporting selected line Ministries (who currently do not have any support for their HR function) be engaged, with the HRM adviser located in the CSC taking on coordination responsibilities, to provide flexible support to line Ministries in the roll out of major CSC and INAP initiatives. These positions would be funded and notionally located within the CSC activity, which should enhance its ability to support implementation of its policies and ensure that assistance at a Ministry level reflects GoTL priorities. Only one of those HRM 'Outreach' Advisers has been contracted and there is a sound argument for the second proposed role to be filled immediately in consideration of the large body of work currently being implemented by the CSC.

Objective 3: To enhance the pool of professional skills and knowledge of Timor-Leste through the Scholarships Programs

The scholarship program for 2011 and beyond has been rearranged by way of AusAID policy changes in Canberra (combining ADS and ALAS as a joint program) and re-scheduled (commencing March/April each year as opposed to September/October). GoNZ were consulted and have been able to align their scholarships program to fit the revised schedule. A revised work plan for the program (2011) is set out in Annex 6. The Program has been recently advised of a more increases in available scholarships – Australia up to 35 (with the combination of 30 ADS and potentially 5 ALAS) and New Zealand up to 15. It needs to be recognised the significant increase/s in scholarships on offer since the Program commenced in 2006 – Australia (8) and New Zealand (3).

The past round of scholarship awardees saw an increase in the numbers of scholarships offered to civil servants over the previous two years. The Program/AusAID engaged in discussion with the CSC as opposed to the MoE (as has occurred previously) to ascertain the preferred fields of study for civil servants so that scholarships attempt to address the genuine needs of the TL civil service and at the same time balance the scholarship offers between the public and private sector.

Again the past round of scholarships saw an increase in applicants passing the IELTS test (28% up to 37%). This is in part as a result of the Program supporting additional IELTS test preparation (four day preparation – one day for each component (writing, speaking, listening and reading) as opposed to only one day previously. PSCDP proposes to offer five (5) days preparation this year in an effort to further improve listening and reading skills – the two subcomponents that cause the most difficult for scholarship applicants. PSCDP also intends to offer two week intensive English Language training for successful scholarship awardees prior to their departure in early 2012.

The marketing strategy, which has proven to be very successful with increasing numbers of expressions of interest from potential applicants and applications received, will continue as approved by the scholarship's program PMG.