

Review of Public Sector Capacity in East Timor

Final Report
12 December 2008

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The views expressed in this report are those of the author alone and do not necessarily reflect the views or policies of the Governments of Australia or East Timor or of any agency or organisation consulted.

Table of Contents

ACRONYMS	3
1.0 EXECUTIVE SUMMARY	4
1.1 Background	4
1.2 Key Needs and Current Assistance	4
1.3 Proposed strategies to address capability needs.....	5
1.4 Relevance of Pacific Island Countries Assistance	6
1.5 Recommendations.....	6
2.0 OVERVIEW OF PUBLIC SECTOR CAPACITY IN TIMOR-LESTE	7
2.1 INTRODUCTION	7
2.2 BACKGROUND	7
2.3 GOVERNMENT POLICY FOCUS ON PUBLIC SECTOR REFORM.....	10
2.4 PUBLIC SECTOR STRUCTURE	11
2.5 PUBLIC SECTOR CAPACITY IN TIMOR-LESTE: KEY NEEDS AND BOTTLENECKS.....	13
2.5.1 Human capacity	13
2.5.2 Institutional capacity.....	14
2.5.3 Sub-national capacity	17
2.6 DEVELOPMENT PARTNER ACTIVITY IN SUPPORT OF PUBLIC SECTOR CAPACITY	19
3.0 OPPORTUNITIES FOR FURTHER ENGAGEMENT BETWEEN THE GOVERNMENTS	21
3.1 Human resource management and development	21
3.2 Institutional Development.....	23
3.2.1 National Planning and Budgeting	23
3.2.2 Firmer whole-of-government capacity	25
3.2.3 Build-up of district capacity	26
4.0 ATTACHMENTS	29
4.1 Review of the Public Sector in Timor-Leste – Terms of Reference.....	30
4.2 People consulted by the review team.....	34
4.3 Government organisation chart in 2008	37
4.4 Civil Service Workforce Data.....	38
4.5 Government Workforce Broken down by Institution: Payroll Data.....	39
4.6 Employment Type by Work Level: Budget and Payroll Data	40
4.7 Staffing by Ministry, level and location	41
4.8 Distribution of Corporate Services Technical Advisers - by Agency and Function.....	49

Acronyms

ADB	Asian Development Bank
APSC	Australian Public Service Commission
ASEAN	Association of South East Asian Nations
AusAID	Australian Agency for International Development
COM	Council of Ministers
CSC	Civil Service Commission
DP	Development Partner
ESF	Economic Stabilisation Fund
FDTL	Defence Force of Timor-Leste
GoA	Government of Australia
GoTL	Government of Timor Leste
HR	Human Resources
INAP	National Institute for Public Administration
ICT	Information Communication and Technology
IT	Information Technology
OPM	Office of the Prime Minister
PFMCBP	Planning and Financial Management Capacity Building Program
PM	Prime Minister
PM&C	Department of Prime Minister & Cabinet (Australia)
PMIS	Personnel Management Information System
PNTL	National Police of Timor-Leste
PSCDP	Public Sector Capacity Building Project
TA	Technical Assistance
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Program
UNTAET	United Nations Transitional Authority in East Timor

Financial data

\$ = United States Dollar

Financial Year = 1 January to 31 December

1.0 EXECUTIVE SUMMARY

1. On 25 August 2008, the Prime Ministers of Australia and Timor-Leste agreed to review bilateral cooperation and opportunities for further assistance in several areas. This review of public sector capacity was asked to examine needs in the public service and assistance currently provided, identify any gaps and recommend proposals for further assistance, and consider how Australia's Pacific Island Countries assistance could be extended.
2. Shaping the review are several major policy planks of the Government of Timor-Leste, most importantly the overarching goal of improved service delivery and the nomination of 2008 as the Year of Administrative Reform.

1.1 *Background*

3. Timor-Leste is still fragile, and the political task of reducing division and discontent, and increasing confidence in government and democratic processes, remains at the top of the agenda. This necessarily involves a lot of compromise and massaging of interests and expectations.
4. The economy is growing, but off a very low base. It relies almost entirely on government activity. Oil revenues provide a strong financial base but present a two-edged sword: they can lead to unrealistic expectations and a lack of discipline in budgeting.
5. Most people rely upon subsistence agriculture, surviving on under \$1 a day, with limited government services. In addition to remoteness and limited capacity, these services – health, education and support for employment and improved rural livelihood - face the challenge of keeping pace with the population doubling every 15 years or so given one of the highest birth-rates in the world.

1.2 *Key Needs and Current Assistance*

6. Managing expectations, and being realistic about what can be done by when, are essential if strategies for capability building are to prove effective.
7. Governance and public sector management have been a priority since 2001 under UNTAET. Seven years on, much of the program agreed then remains to be achieved, concerning both basic human resource capability and institutional capacity including planning, budgeting, policy coordination, policy and budget execution and sub-national capacity. Current DP activity includes AusAID's ten-year Public Sector Capacity Development Program, UNDP's three-year Civil Service Reform and the World Bank's multi-donor (previously AusAID's) Planning and Financial Management Capacity Building Program.
8. This effort needs to be sustained for many years, particularly to help the GoTL to drive the reforms of the last year and to ensure they lead to lasting improvements in service delivery. This will require more support for HR development in line agencies and in districts, strengthening of whole-of-government institutional capacity and building up district capacity. It also requires a much firmer focus on execution of government policy and budget allocations.

1.3 Proposed strategies to address capability needs

A. Human Resource Capability

- (1) *Establish and take full advantage of the Civil Service Commission.* The new CSC has real potential to bring about a professional, apolitical and merit-based civil service. At this stage, it rightly involves central controls to develop a career structure, set minimum standards and qualifications and carefully manage appointments and promotions. It must also develop rigorous training and development programs to support both basic administrative skills and higher level management capacity, allowing ministers to concentrate on policy confident their decisions are both well-informed and can (and will) be delivered. These programs need to be directed towards both line and central agencies, and civil servants delivering services in the districts. The district effort must not be deferred if the reforms are to have the desired impact on the Timorese people.
- (2) *Continue to build cadres of senior professional leaders in each agency* through continued scholarships programs, internships, secondments and executive development programs. The relative success of the Health Ministry demonstrates the importance of a critical mass of higher level staff below ministers with technical and management skills, and a focus on service delivery.
- (3) *Review technical adviser arrangements.* Timor-Leste will require technical advice in many areas for many years. Up until now, however, TAs have been focussing on advising ministers directly rather than working themselves out of their jobs by coaching and mentoring civil servants, including in service delivery. The CSC could play a role in helping TAs and ministries to improve the skills transfer needed. Wider use of current public servants, including from all levels of Australian government, would also help.

B. Institutional Development

- (1) *Strengthen the planning and budget process further to reinforce service delivery* within a disciplined fiscal framework. Budget execution should be central to the budget cycle from planning through policy decision-making to implementation and reporting on spending and performance. The focus at this point should be on the basics: all proposals should be properly developed and costed, decisions outside the budget should be strictly limited, and execution should be reported including through audited public accounts.
- (2) *Establish firmer whole-of-government capacity* at the centre. While the CSC will have the role of building a professional civil service, there is a need for complementary capacity to help marshal the resources of the service to deliver the government's agenda. This firmer central capacity, possibly through a new Prime Minister's Department, should strengthen support for collective decision-making by the Council of Ministers, advise on machinery of government and public sector policy, and ensure oversight of district management.
- (3) *Build-up district capacity.* The proposed decentralisation will take time and district capacity needs to be built up now to support both the current service delivery agenda and effective decentralisation when it is introduced. Strengthening the role of District Administrators in local planning and

coordination of line agency activities, and possibly minor infrastructure, could be a practical early measure across all districts.

9. Consistent with the PM's 'pragmatic' approach to language policy, greater investment in Tetun is required as the language of communications within the civil service and with the public. The use of Portuguese as the language of law and more complex communications remains a major hurdle for public administration, requiring substantial investments with increasingly uncertain returns.

1.4 Relevance of Pacific Island Countries Assistance

10. Australia's Pacific Island Countries assistance provides useful lessons, and could be an umbrella to help Australian agencies to provide the necessary support. But it is unlikely that Timor-Leste would wish to formally join that program given its orientation towards ASEAN rather than the South Pacific (though attendance at some Pacific forums such as the Public Service Commissioners' conferences would be useful). In particular, greater involvement by current Australian public servants through visits and secondments in both directions would be extremely helpful. This requires firm Cabinet authority, and resources for agencies releasing staff.

1.5 Recommendations

- i) *Each Prime Minister agree in principle to the six strategies outlined above, noting the extension of existing activities involved.*
- ii) *The Australian PM confirm a long-term commitment (10 years) to support public sector capacity building, with some additional resources.* He should lend his and Cabinet's authority to the new country program, possibly within the Pacific Island Countries program, and direct that coordinated effort be given to ensure relevant jurisdictions and agencies guide and coach Timorese public servants both in Australia and in Timor-Leste. PM&C, APSC, Treasury and Finance should be involved, as well as AusAID.
- iii) *The Timor-Leste PM establish a new high-level oversight committee of TL officials to decide, in consultation with AusAID, the program of development activity consistent with the agreed overall approach, with appropriate connections to related DP activities and possibly replacing the existing PSCDP Program Monitoring Group.*
11. The Australian Ambassador might meet the Timor-Leste PM to discuss how best to proceed along these lines and to confirm early priorities for action.

2.0 OVERVIEW OF PUBLIC SECTOR CAPACITY IN TIMOR-LESTE

2.1 INTRODUCTION

12. On 25 August 2008, the Prime Ministers of Timor-Leste and Australia met in Canberra. Arising from that meeting was an agreement to review bilateral cooperation and opportunities for further assistance to the public service, education, training, employment, microfinance and infrastructure. As part of this process, a small team led by AusAID was established in late October to *review public service capacity in Timor-Leste, identify key needs and bottlenecks and to consider options for expanded assistance*. The Terms of Reference are at *Attachment 1*.
13. This report, prepared by the team, is based on consultations over two weeks with members of the Government, senior officials and advisers; a list of those consulted is at *Attachment 2*. The focus of the report is the machinery of public sector management: that is, it is less concerned with *what* the various agencies of government do, than with *how* they do it. The capacity of the people who make up the civil service is only part of this story. Institutional capacity is equally important, as the quality of processes supporting policy and budget development and execution, and the performance of administrative functions, significantly determine the ability of a government to deliver its programs. The report is also concerned with capacity not only at the national level, but also in the districts where most services are delivered.

2.2 BACKGROUND

14. Timor-Leste, the newest nation in the world, is also amongst the least developed.¹ Three quarters of the population lives by subsistence agriculture, and almost half the population is either highly food insecure or vulnerable to becoming so.² Unemployment and underemployment are high amongst the urban population, which is swollen by the drift to the capital of people displaced by waves of conflict and young people seeking to enter the cash economy. Despite individual poverty, national income has been growing rapidly since 2006 with the inflow of petroleum revenues, pushing Timor-Leste into the lower middle income bracket of countries with a GNI of \$1,510 per capita.³ A major challenge for Government is to protect national income into the future and broaden the economic base while delivering immediate benefits to an impoverished population and tackling the underlying disaffection that has triggered successive waves of urban violence. A further massive challenge for Government is to keep pace with the highest rate of population growth in the world. At seven births per woman⁴, Timor's population will double by 2025, putting extraordinary pressure on health and education services, urban and rural livelihoods and food security.
15. Timor's constitution is characterised as quasi-Parliamentary, with a unicameral Parliament elected on the basis of a closed list single national constituency. The party or coalition forming the majority nominates the Prime Minister, who in turn nominates the political executive to the President for appointment. There is no requirement for the PM or the executive to be Members of Parliament. Effective engagement between

¹ UNDP's *Human Development Report* 2007-08 (pp229-232) ranks Timor-Leste 150th out of 177 countries on aggregated human development indicators, lower than any other country in the Asia-Pacific region.

² AusAID draft country strategy for Timor-Leste, citing the 2004 population census

³ World Bank Group *Doing Business-2009* data for Timor-Leste.

⁴ UNDP *Human Development Report* 2007-08 pp243-5

citizens and the government is not inherently reinforced by this machinery, and is in practice contingent on a strong Parliament. The Civil Service Act passed in 2004 and several decree-laws made under it in 2008 determine the broad arrangements for the civil service.

16. Timor's history has significantly shaped the character and capacity of its public sector and the challenges it confronts. A former Portuguese colony, the decolonisation process initiated in 1974 miscarried in the following year, opening the way to military occupation and later annexation by Indonesia. Indonesia's contested rule came to an end in the violent aftermath of an internationally-brokered popular consultation on independence held on 30 August 1999. In the several weeks of systematic destruction between the announcement of the results of the popular consultation and the deployment of an international peacekeeping force, Timor's public sector disintegrated. Almost all public buildings were destroyed, from head offices of government departments in Dili to administrative offices and court houses in district capitals to clinics, schools and security posts in remote villages. Most operating equipment and infrastructure was vandalised or plundered, and all public records were burnt. The public sector workforce fell apart with the massive displacement of population both across the border into West Timor and into the countryside, and most of the senior echelon of the public service and many from the middle levels – largely not ethnically Timorese – never returned⁵.
17. A UN Security Council resolution in September 1999⁶ mandating peacekeeping and humanitarian operations in East Timor was followed in October 1999⁷ with the authorisation of a comprehensive peacekeeping and governance mission with unprecedented powers not only to provide security and humanitarian assistance, but also to perform the full functions of government. Plenipotentiary power was vested in the Special Representative of the Secretary-General to exercise all administrative and executive authority, and administer justice. A central function was to rebuild the machinery of state in anticipation of the transfer of power to a sovereign nation. The mission, known as the UN Transitional Administration in East Timor (UNTAET), continued through to the formal establishment of the nation of Timor-Leste on 20 May 2002.
18. The public sector in East Timor under the Indonesian administration, which numbered around 28,000⁸, was pared back sharply under UNTAET to around 12,000: a number that was considered more fiscally sustainable for the fledgling nation. The Indonesian-era administration was regarded not only as bloated but also as self-serving and underperforming, characterised by the Indonesian acronym KKN (standing for corruption, collusion and nepotism). Timorese today also speak of the culture of deliberate underperformance - a form of passive resistance to Indonesian administration - which has spilled over into contemporary work attitudes.
19. An immediate challenge for UNTAET was the restoration of basic services to the population. It re-established public administration across Timor, using the local administrative divisions that had existed largely unchanged from the Portuguese era: 13

⁵ One report puts the number of departing Indonesian civil servants at 7,000 (Capacity Development Coordination Unit *Medium Term Capacity Development Strategy Part I, draft report, March 2005, p6*

⁶ Security Council Resolution 1264 of 15 September 1999

⁷ Security Council Resolution 1272 of 25 October 1999

⁸ World Bank *Joint Assessment Mission* 1999 p238

districts, divided into sub-districts and sucos (villages). This structure had translated neatly into the Indonesian administrative units of *kabupaten*, *kecamatan* and *desa*, and was further replicated with some minor variation in the Timorese clandestine structure based around *selecon* and *nureps*. Under UNTAET, district administrators were appointed in each of the 13 districts, who were responsible for the coordination of service delivery and reported to an Office of District Affairs. Line agencies with a community service function such as health, education, agriculture and public works appointed and managed their own personnel at district level, who coordinated with the district administration.

20. While UNTAET preserved the administrative framework for service delivery at the local level, its state building efforts were largely concentrated on national-level institutions and the progressive transfer of political authority to a national leadership in the lead-up to independence. In mid 2000, the First Transitional Government was formed, creating eight Ministries which were equally split between Timorese and internationals⁹. The Second Transitional Government, formed in September 2001 following national elections for a Constituent Assembly, had a fully national Council of Ministers. While some central agency and corporate machinery, such as a Ministry of Finance and a civil service recruitment authority, were built into the First and Second Transitional Governments, important but less obvious elements of government machinery remained embedded within the political and administrative divisions of UNTAET, such as legislative drafting, coordination of Government business, public media, public information, voice and data communication, management of information technology for government business systems, and buildings management and maintenance. These were largely overlooked until quite late in the transition to independence and the nascent national machinery was arguably less well developed in these areas.
21. At independence, not all of the benchmarks set out in the Transitional Results Matrix (a blueprint of the components required to build the machinery for an independent state) had been achieved. Two important components for civil service development and management – the passage of a Public Service Act, and completion of recruitment to the public service – remained incomplete, with gaps in public service recruitment more marked at the higher levels. Capacity was a broad preoccupation in the lead up to independence and, in collaboration with the Ministers of the Second Transitional Government, a comprehensive stock take was made of likely technical assistance requirements. Some 300 positions were identified, 100 of which were assessed as essential to ensure the ongoing security of the state. In a major precedent, these latter positions were approved for funding by the Security Council as part of the post-independence peacekeeping mission; DP support for the remaining 200 positions was coordinated by UNDP.
22. Capacity has remained a preoccupation of government and DPs in the period since independence, with patchy progress. Technical assistance has been the dominant DP modality, while the Government of Timor-Leste has been more evidently focussed on shortcomings in human rather than institutional capacity. The continued dependence on international personnel has assumed a de facto form of capacity substitution, and much of the focus has been at the high end of public policy, with rather less attention being

⁹ A ninth Ministry was subsequently added to which a Timorese national was appointed.

given to building the basic processes and systems to support public administration and service delivery.

23. The current status of capacity is succinctly summed up in a recent ADB report¹⁰:

Capacity remains very low across all areas of government in Timor-Leste and is complicated by low education and little training, a still evolving role of government, and limited experience of many public servants in public administration and decision making. Building the capacity of the public sector is essential to improving governance and restoring stability, and is a top priority of the Government. Capacity building will need to address individual, organizational, inter-organisational, and environmental constraints.

24. Public sector capacity-building initiatives in Timor-Leste have been a major focus of the international community. However, much of this effort has been limited in coverage, project based, DP-driven, fragmented, and discontinuous. Results have been uneven, and the overall progress of efforts has been slow. Moving forward, capacity development needs to support key policy initiatives, strategically target core government roles (including policy formulation, budget management, and personnel management), and foster accountability and transparency in decision making.

2.3 GOVERNMENT POLICY FOCUS ON PUBLIC SECTOR REFORM

25. The Government of Timor-Leste has nominated 2008 as the Year of Administrative Reform. The Prime Minister, in his 2008 Budget speech, observed that

The State General Budget that the Government presents for 2008 seeks to contribute to a structured and balanced change in State Management, so as to ensure a more efficient and functional Public Administration, supported by anticorruption mechanisms.¹¹

26. The Prime Minister went on to highlight three budget initiatives that gave expression to the commitment to create a duly qualified, efficient and independent civil service, free from corruption and external influence:

- The creation of a Civil Service Commission;
- The creation of an Anti-Corruption Commission; and
- A boost to the Office of the Inspector-General, to make it the responsible body for the audit of government departments and agencies.¹²

27. In the budget papers themselves, four areas of work are clustered under the heading of Reforming the management of the State:

- Civil service
- Administrative organisation of the territory
- Public finances
- Fighting corruption

¹⁰ Asian Development Bank *Technical Assistance to Timor-Leste for Capacity Building to Strengthen Public Sector Management and Governance Skills, Phase III* September 2008

¹¹ Budget Paper No. 1 2008, p9

¹² Ibid pp18-19

28. Throughout Budget Paper No. 1, the emphasis is on improvement to service delivery to the people of Timor-Leste, and administrative reform is anchored in this goal:

The Government will also ensure that funds are spent strategically, transparently and represent good value for money. Government Ministries and services will be regularly audited and clear administrative policies will be developed to manage and maintain government assets. The focus throughout will remain on delivery of public services – building on the capacity of the Government to deliver service to the people or funding others to do it, where there is a capacity to do so.¹³

29. The emphasis on administrative reform is repeated in the 2008 National Priorities document released in March 2008.¹⁴ One of the six national priorities is Clean and Effective Government. The Priorities document states that

The attainment of national priority goals depends on a clean and effective public service. The 2008 'Year of Administrative Reform' calls for enhanced leadership, management and service orientation that will be defined and rewarded by new performance and incentive structures. Strong plan to budget links, sound formulation and execution of the budget, combined with investment in public services, will enable improvements in services. These will be complemented by efforts to improve internal controls and reporting, particularly internal audit, and more effective parliamentary scrutiny of process.¹⁵

30. The Government established six working groups, chaired at Ministerial level and including DPs, to oversee the implementation of each of the priorities, and the group addressing clean and effective government is seen to have made good progress, with quarterly targets largely on track against goals (1) independent oversight of civil service management and remuneration, and (3) improved national planning, Budget and execution performance and accountability. Progress in the development of a new National Development Plan (Goal 2) appears rather less advanced.

31. At a high level meeting with DPs on 21 October 2008, the Prime Minister announced three new priorities for 2009 which would require a whole-of-government approach: infrastructure development; rural development; and human resource development. In so doing, he acknowledged that priorities could not be fully addressed in one year, and he anticipated continuing work to achieve the 2008 priorities into the future.

2.4 PUBLIC SECTOR STRUCTURE

32. The machinery of government is set out in decree law 7/2007, plus a suite of complementary organic laws for individual Ministries. The broad structure comprises a Prime Minister, a vice Prime Minister and twelve ministers, assisted by 25 secretaries of state and several vice-Ministers. Twelve Ministries mirror the functions of the twelve Ministers. There is no Ministry of Prime Minister and Cabinet. The Prime Minister is assisted by six Secretaries of State responsible variously for the Council of Ministers and several high profile areas of public policy including energy, natural resources and promotion of equality, and each of these secretaries has an office to support their

¹³ Ibid p33

¹⁴ Government of Timor-Leste *Working Together to Build the Foundations for Peace and Stability and Improve Livelihoods for Timorese Citizens: 2008 National Priorities* March 2008

¹⁵ Ibid p11

functions. The remaining secretaries of state are scattered across nine of the twelve ministries. A top structure chart for government is at Attachment 3.

33. The principal corporate functions of government are performed by the following agencies:

- Planning: Ministry of Finance leads on national priorities; Office of the Prime Minister supervises Annual Action Plans; Ministry of Economy and Development leads on the State of the Nation Report;
- Financial management: financial controls are highly centralised in the Ministry of Finance; line agencies and districts hold limited financial delegations (e.g. up to \$100,000 to line agencies for procurement, with a few holding higher levels of delegation as they meet procurement capacity requirements e.g. the Ministry of Health's delegation has been raised to \$200,000; the Ministry of Health has provided a delegation of \$20,000 to district health directors; District Administrators have a petty cash delegation only);
- Human resources: with the imminent establishment of the Civil Service Commission, responsibility for supervision of the civil service has very recently shifted from the Minister of State Administration and Territorial Organisation to the Prime Minister and the associated National Directorate of the Public Service has been transferred; the National Institute for Public Administration, which is responsible for training, still sits under the Ministry of State Administration and Territorial Organisation; the Capacity Development Coordination Unit which formed part of the Office of the Prime Minister under the previous government has been abolished;
- Legislative drafting: largely undertaken by the Office of the Council of Ministers, as line agencies have very limited drafting capacity;
- Administrative services: line agencies are largely responsible for their own operating infrastructure: buildings, utilities, communications, business systems, supplies and vehicles. With the development of the National Connectivity Project, The Department of Infrastructure is likely to be responsible for voice and data communication across government and it also informally provides a help-desk function for some IT-based business systems.

34. Since independence, supervision of administrative decision-making has been handled by the Office of the Inspector-General, which has a loose audit function, and the Provedor dos Direitos Humanos, who has a loose responsibility for ensuring the proper treatment of citizens by government. Under the current government, Offices of Inspection and Audit are being established in all Ministries. Two key accountability institutions provided for in the Constitution have yet to be established: the Parliamentary office of Ombudsman (section 27); and the High Administrative, Tax and Audit Court (section 129) which, *inter alia*, would monitor the lawfulness of expenditure and audit state accounts (s129(3)). Cutting across these loose existing arrangements and absent Constitutional provisions is the proposed Anti-Corruption Commission and the augmented audit role for the Inspector-General.

2.5 PUBLIC SECTOR CAPACITY IN TIMOR-LESTE: KEY NEEDS AND BOTTLENECKS

35. In 2001, the National Planning and Development Agency led the development of a ten year Program for Governance and Public Sector Management, which was endorsed by the Cabinet established under UNTAET. The Program, which was built into the 2002 National Development Plan, provided a practical blueprint for the building of public sector capacity. It cited as most crucial:

...the development of operational planning and budgeting; the development of organizational and supervisory skills at middle and supervisory levels; training in records management and document control, information technology, Portuguese language and translation; training programs for district and village staff; gender awareness and equity training, and human rights training. In meeting these aims, additional, basic skills need to be developed at a number of levels within public service. For example, at the senior and middle management level, there is a need to develop the ability to put together operational plans and budgets, to develop capacity in advising ministers on legislation and regulations, to create operational programs from policies, and to link government with the private sector, NGOs, and civil society organizations. Similarly, at the office management and administrative levels, skills need to be developed in areas such as records management, drafting documents, and communication. Only through developing skills such as those outlined above, will East Timorese be able to genuinely own their administration, and begin to build capacity themselves.¹⁶

36. Seven years on, much of this Program remains to be achieved.

2.5.1 Human capacity

37. The current public sector workforce numbers around 23,000, including some 4,000 police and military personnel. The 19,000 making up the non-security elements of the workforce include both administrative personnel and technical staff such as teachers, health workers and agricultural extension officers; around 7,400 are temporary staff. Half of all personnel are located in Dili, and most of these would be in the administrative stream. A detailed breakdown of the workforce figures, based on payroll data, is at *Attachment 4*.

38. Accurate and complete management information on the public sector workforce is not readily available: the Personnel Management Information System (PMIS) does not link to the payroll system located in the Ministry of Finance, and only captures a proportion of temporary staff. It is also some months out of date. The annual budget documentation includes salary allocations as a dollar figure, but does not specify staff numbers or levels.

39. Although much of the permanent recruitment to the civil service occurred several years ago, staff remain locked into the positions to which they were appointed, with little internal movement or promotion since¹⁷. Management and supervision of staff is weak: civil servants are uncertain about their roles and responsibilities, and few if any positions have up-to-date job descriptions. Internal communication within Ministries is poor. Directors-General and Directors rarely meet with their staff and there is no

¹⁶ National Development Plan 2002 p43

¹⁷ Many permanent positions remain unfilled and the Government is currently undertaking a bulk recruitment exercise with the intention of filling vacancies by the end of 2008.

culture of performance management at either an organisational or individual level. In recent months, several regulations under the Civil Service Act of 2004 have been made, covering recruitment and selection, a career regime, leave entitlements and performance evaluation. Little attention, however, has been given to their implementation, and a human resources manual is still under development. As few HRM processes have yet been standardised or coordinated across government by a single agency, each Ministry and sometimes even departments within Ministries have developed their own manuals and standards: this has even extended to remuneration provisions such as overtime and shift allowances.

40. There is an element of suspicion within Government about the loyalty and commitment of the senior management cadre, part of a larger perception of politicised appointments under the previous government. One of the express drivers for the Year of Administrative Reform is the determination to create “a duly qualified, efficient and independent civil service, free from corruption or external influence”.¹⁸ This plays into the Government’s concern about the capacity of the civil service to deliver on its program, but also points to a more general management issue around the development of the senior management cadre, and the skills required to effectively lead an organisation. Some Ministries such as Health are doing well, and it is noteworthy that Health has a cohort of well-qualified health professionals in senior management roles. This may, in part at least, be a reflection of the development of the Ministry of Health under UNTAET, which was exceptional in several respects: national health professionals well outnumbered internationals from the outset and engaged as peers with advisers; technical assistance was reduced in favour of national leadership well before independence; and a sector-wide approach was adopted from the outset, anchored in a national health plan, and rolled out across the country.
41. A massive investment has been made by DPs in staff training and development: through support for the National Institute of Public Administration, the funding of specific training activities in-country and the provision of overseas scholarships and short-term travelling fellowships. Despite the commitment and the associated investment, activity has been largely ad hoc and largely independent of any form of workforce planning.
42. The demand for training is set to expand exponentially with the implementation of recent legislation establishing a career regime; this stipulates qualification pre-requisites for civil servants at each level, and bars increments or promotions until the requirements are satisfied. As a bridging arrangement, three month courses are planned by INAP for those not holding the required qualifications for the level of their appointment, and an estimated 7,000 civil servants will need training. The delivery of 21,000 person months of training exceeds the very limited capacity of INAP by an exponential order of magnitude, and there is no evidence that the industrial implications of an inability to provide the necessary training are understood.

2.5.2 Institutional capacity

43. This section considers the institutional capacity for planning, budgeting, coordination and implementation of government policy.

¹⁸ Speech by Prime Minister Xanana Gusmão on 18 December 2007

2.5.2.1 Planning

44. The five-year National Development Plan, launched immediately prior to independence in 2002, is now well out of date, and the associated Sector Investment Programmes which were used to guide annual budget resourcing have been discontinued in favour of the less strategic Annual Action Plans. In early 2008 the Government committed to *consolidating its vision for development into the Second National Development Plan*.¹⁹ While precursor work to complete a current *State of the Nation Report* is advanced, the form and timing of the further steps towards preparation of a National Plan remain unclear, and at the high level DPs meeting opened by the Prime Minister on 21 October, several important DPs called for work on the Plan to commence.

45. Responsibilities for high level planning are dispersed across several Ministries with no single agency in the lead: the Ministry of Economy and Development is producing the *State of the Nation Report*, the Ministry of Finance is coordinating work to give effect to the six national priorities for 2008, and the Office of the Prime Minister is coordinating the development of Annual Action Plans. While the latter are intended to be developed within Ministries, there appears to be little ownership, and Plans are significantly reworked in OPM. There is currently no effective planning undertaken at a Ministry level to examine policy directions and develop associated resourcing and implementation plans. Critically, there is no link between planning and budgeting.

2.5.2.2 Budgeting

46. In July 2008, the Government of Timor-Leste finalised the 2008 Rectification Budget. This more than doubled the original 2008 appropriation of \$347.7m to \$773.3m (+122%), with the additional \$425.6m coming from the Petroleum Fund. Of this increase, \$185.6m was set aside for 'State supplied services' and \$240 million for the establishment of an 'Economic Stabilisation Fund' (ESF), a contingency fund to address rising food prices. The scope of the Rectification Budget was so large that it took on the nature of another full budget development process.

47. Of particular importance is the reality of GoTL's public expenditure capacity. Since 2001, actual cash expenditure (including prior year's carry-over) has reduced from 75-80% of the Budget appropriation to 50% in 2007. Over the same period, the Budget appropriation has grown from US\$56.6m to US\$328.6m, with large increases in 2006 (+51%) and 2007 (+153%). Based on this experience, and noting little capacity increase in Ministry of Finance, it would appear likely that much of the 2008 Rectification Budget increased appropriation will not be expended, resulting in further concerns over Budget execution capacity.

48. It is interesting to note that the original purpose of the Rectification Budget was to address the world-wide food security crisis that emerged in rice-dependent countries in mid-2008, but soon expanded under pressure from Coalition and the Opposition to include a wide range of new spending initiatives.

49. More recently, agencies other than the National Directorate for the Public Service have been seeking and receiving Council of Ministers approval for salary and allowance increases without costing implications attached, or Finance concurrence. These Decree Law submissions were ratified by the Secretary of State, Council of Ministers and the Vice Minister Finance (in the absence of the Minister Finance). These may trigger a

¹⁹ Democratic Republic of Timor-Leste *Budget Paper No. 1* p33

general round of civil service remuneration claims, with material fiscal implications that frustrate normal budget processes and discipline.

50. The budget process now reflects the following characteristics:

- Multiple budget preparation cycles in a 15 month period have reduced the quality of the process to “number crunching”, not an expression of policy implementation. This needs to be changed;
- The existing Annual Action Plan template used to guide Budget submissions does not require an analysis of district programs. Consequently, the Budget²⁰ does not reflect Government’s policy of support for rural development. Exceptions are the Ministries of Health, State Administration and Territorial Organisation; and Courts. This needs to be changed; and
- The Budget process is being interdicted by ad-hoc claims, even in the mid-year review process. These interventions can have real fiscal management implications if unfunded deficits are the result. These opportunities need to be minimised.

2.5.2.3 Policy Coordination

51. Although standing orders for the Council of Ministers²¹ specify coordination arrangements for submissions, they are rarely observed. The Council Secretariat itself is principally constituted as a legislative drafting unit, and generally does not assume a wider role in coordination of government business.

52. Several procedural weaknesses are evident. Most matters appear to go forward in the form of draft legislation, rendering the policy intent opaque. As matters are generally not coordinated across interested Ministries prior to submission to the Council, critical considerations such as financial implications or consistency with other areas of policy and law are not brought to the attention of the Council.²² Ministers themselves are not well prepared to consider the matters before them when they are not briefed by their own agencies. These may be factors affecting the frequency with which matters are referred back to the Council for further consideration.

2.5.2.4 Policy and budget execution

53. Council decisions are often the end of the process: implementation is not the natural corollary. The capacity to *operationalise* policy is a major deficit across government, not helped by weak operational planning within agencies, weak business systems and communications, weak intra- and inter-agency coordination and generally very weak links to the districts.

54. There is little evidence of any systematic analysis and documentation of the steps required to implement a policy either during the policy development process or once the decision is taken. Decisions – frequently in the form of decrees drafted in Portuguese – are referred back into a bureaucracy that has low proficiency in the language, and are

²⁰ General Budget of State 2008, Budget Paper No.1. Ministry of Finance, Democratic Republic of Timor-Leste; 28 December 2007.

²¹ Government Resolution No. 11/2007 (JR, Series 1,no. 25 of 5 September)

²² The review team was advised, for example, that the proposal for the new career regime, which added many millions to the annual payroll, went forward without costings. More recently, a proposal to pay a \$5 per hour shift allowance to health workers was approved and gazetted without costings, and without consideration of the implications for shift workers in other sectors.

taken no further: there is no consequential review of administrative procedures, modification of business processes, promulgation of the changes or information and training for staff in response to the new law. The legal basis for many administrative functions is itself opaque. Timor is burdened with an ill-fitting body of law: the foundation is Indonesian law, overlaid by UNTAET regulation, GoTL decree-law and Parliamentary enactments.

55. Decision-making is highly centralised, in many cases focused on the Minister as the primary and, in some cases, the only decision-maker. Where the decision-maker is absent – and members of government and senior officials are frequently required to travel overseas – matters simply languish.
56. Reporting against organisational performance is also limited. Quarterly reporting matrices against Annual Action Plan performance indicators are supposed to be forwarded to the Ministry of Finance every three months, but few Ministries apparently comply with the requirement. As internal coordination within Ministries is loose – executive team meetings are generally infrequent – there is no systematic review of progress against AAPs or any discussion about the direction of resources and effort towards the achievement of policy priorities. There is no requirement for agencies to prepare annual reports to Parliament.

2.5.2.5 Administrative services

57. Administrative services such as IT procurement and management, vehicle procurement and maintenance and buildings management are largely handled at agency level. This exposes the Government to unnecessary cost and risk. These are most acute in the area of ICT, where the legacy of UN reliance on IT-based desktop standards and DP sectoral programs have led to a proliferation of uncoordinated and potentially unsustainable IT equipment and systems. There are no IT policies or standards governing hardware, software, systems development, networking, user support, back-up, systems documentation, disaster recovery, security, sustainability or provision for recurrent and replacement costs. Practices are significantly driven by DP and adviser preferences within individual agencies. Much of the software provided is not licensed (a huge unbudgeted cost), exposing equipment to virus infection and the crippling of networks. One agency (Justice) has opted to base systems on freeware, overcoming the licensing problem but raising serious issues for systems support into the future. One interlocutor observed that the large number of systems in use is dwarfed by the number of systems that have failed.
58. One area of imminent standardisation is the National Connectivity Project managed from the Department of Infrastructure. Designed to provide voice and data communications across government, it is scheduled to be progressively rolled out to government agencies across Dili and in district capitals from late 2009. It will support access to the internet-based financial management system and potentially other shared business systems – should they be developed – in the future. A complication is that the Project cuts across the Government's sole supplier contract with Timor Telecom.

2.5.3 Sub-national capacity

59. Effective service delivery to the people of Timor-Leste is a stated goal of the current government. Seventy-five percent of the population lives outside the major urban centres, and there is a marked disparity in the breadth of services available in the capital, in the main towns, and in the villages. Urban migration has accelerated rapidly

since the Indonesian exodus, fuelled by the lure of the cash economy and a lifestyle unavailable in the countryside, and the prospect of employment opportunities – however remote – for the swollen cohorts of young people emerging from the education system.

60. A challenge for the government is to achieve effective delivery of services close to where people live, to improve both equity in service provision and the quality of life in rural areas. The form of district administration established under UNTAET has remained in place with little modification, although some form of political decentralisation has been on the agenda since independence, and elections for village chiefs were held in 2005. The Constitution expressly requires a decentralised form of public administration (s5) and makes provision for the creation of local governments (s72). The Council of Ministers is currently considering a model for political decentralisation which will involve the formation of 13 municipalities, replicating the current 13 districts, each with an elected assembly and mayor. Functions are planned to be transferred progressively, with the probability of some line ministry functions being devolved – although the extent and timing of devolution is uncertain. Enabling legislation is now unlikely before the end of 2008, and implementation will be phased over a few years. On the current plan, elections will be held in four districts towards the end of 2009. Elections in the remaining districts are proposed over the following year, in two tranches of four and five districts.
61. District administrations are currently weak, and service provision at the district level only weakly coordinated.²³ Most services are delivered directly through line agencies, with only vestigial functions and funding sitting with the district administrations. Health and education agencies have the largest presence, followed by agriculture; infrastructure has a shallower footprint. The district administration's budget – and its associated responsibilities - is very limited.²⁴ Development at the district level has been supplemented largely by DP community development programs – the World Bank's Community Empowerment Program which ended in 2004 and subsequently the UNDP/UNCDF Local Development Support Project (LDSP) - which provide local level grants for community services. In 2008, funding for grants under LDSP was incorporated into the national Budget and is administered by the Ministry of State Administration and Territorial Organisation, with funds managed at district level through the agency of the District Administration.
62. The weakness and segmentation of public administration at the district level creates major challenges for service delivery. For example, schools are built without water and sanitation or access roads, which are the responsibilities of other agencies. Government payments are complicated by limited mechanisms at district and sub-district level. Salary payments are made monthly in the district centre, requiring staff to make the

²³ Although article 21 of Decree Law 6/2008 identifies the District Administrator as representing the Government at the district level and being responsible for the supervision of the activities of public bodies, coordination between government bodies and NGOs, and facilitation of the implementation of national programs at the local level, this does not appear to be happening in practice. The 2006 Sector Implementation Plan *Local Government: Priorities and Proposed Sector Investment Program* describes the role of the National Directorate of Territorial Administration as, *inter alia*, strengthening management and enhancing coordination and logistical support among sectors at both the district and national level (page 4). District administrations are described as coordinating the implementation at the district level of general policies decided by the central government: their main functions lie in strategising, in district-level program management, and coordination of policies. They have a coordination role, but limited influence over line agencies and development coordination. (page 5)

²⁴ The 2006 Sector Implementation Plan states that district administrations "have no discretionary funding of any kind, except the petty cash system." (page 5)

journey in from the sub-districts and villages where they are posted. Implementation of the recent government decision to provide pensions to former veterans, widows and the elderly necessitated designating *chefes de suco* as responsible for the identification of beneficiaries and the disbursement of payments, and making the payments on a biannual basis: raising concerns about accountability and household budgeting.

63. As each line agency operates as a silo at district level, potential economies of scale and opportunities for local sourcing are lost. For example, each of the larger agencies has its own finance officer. Similarly, each provides for its own operational infrastructure, such as vehicle and equipment maintenance, with servicing and support generally dependent on Dili. Infrastructure is in poor condition, and maintenance delayed or neglected. For example in Aileu, which was visited by the review team, the health radios in three of the four sub-districts no longer work, and several health vehicles are off the road as all repairs must be done in Dili under the servicing contract, producing long delays and logistical challenges. While all district capitals have telephone coverage, sub-districts are largely incommunicado: in Aileu, for example, only the sub-district closest to Dili had any mobile telephone coverage. Sub-districts rely on the UN police radio network, or the poor parallel communications of the local police.
64. There is no clear picture of the extent of government allocations to the districts. District level whole-of-government budgets, identifying funds flowing to the district from all agencies, have never been produced and budgeting is not currently done in a way that would permit this. Only the Ministry of Health has a detailed budget breakdown by district. A few other Ministries have a very incomplete picture of proposed or actual expenditure by district.

2.6 DEVELOPMENT PARTNER ACTIVITY IN SUPPORT OF PUBLIC SECTOR CAPACITY

65. Development Partners (DP) are supporting the development of public sector capacity across all Ministries, with much of the assistance directed to planning, policy development, budgeting, procurement, human resource management and development, and ICT. Of 354 technical advisers identified across government in June 2008, 226 were supporting corporate functions. A breakdown of these positions, by agency and DP, is at *Attachment 5*. While much of this assistance is embedded in sectoral projects, several major DP projects directly address central agency functions and, in some instances, generic supplementation of capacity on a needs basis across all agencies. These include:

- AusAID's ten-year Public Sector Capacity Development Program, which commenced in 2006. Its objectives are: to strengthen the capacity of personnel, systems and processes of central agencies; to support the establishment and implementation of a regulatory framework for the public sector; to enhance corporate management and administrative capacities in various line agencies; and to strengthen the capacity of other personnel, systems and processes of various line agencies through a flexible fund;
- UNDP's three-year Civil Service Reform in Timor-Leste (strengthened management of administrative reform) project, which commenced in 2008. Its main outputs are: implementation of a Management Information System to support personnel processing and human resource planning; enhanced strategic management of the civil service, including through the development of strategic plans, conduct of functional reviews,

clarification of organisational structures and roles, finalisation of capacity development action plans and strengthened management; the establishment of a mechanism to provide and manage technical assistance; and targeted training and development of civil servants in core competencies;

- AusAID's Ministry of Planning and Finance Capacity Building Program, which began in 2003 and is currently being phased out as a World Bank led program to which Australia is contributing takes over. The MPFCBP goal is to ensure that the Government can sustainably generate and manage public funds. At the request of the Minister, the budget formulation, budget execution and revenue components of the Program have been extended to the end of 2008 to facilitate their full integration into the World Bank program; and
- The World Bank's multi-donor Planning and Financial Management Capacity Building Program (PFMCP), which began in 2008. The goal of the program is to help to strengthen the Government's capacity in budgeting, public expenditure management and revenue administration. Its focus is the Ministry of Finance, and its work will not directly support financial management in line agencies.

66. Little DP activity directly addresses public sector capacity at the district level and almost no technical advisers work at this level. The exception is the UNDP/UNCDF Local Development Support Program which is preparing the way for political decentralisation.

3.0 OPPORTUNITIES FOR FURTHER ENGAGEMENT BETWEEN THE GOVERNMENTS

3.1 Human resource management and development

67. The Government of Timor-Leste has made a strong commitment to the development of a professional civil service, declaring 2008 the Year of Administrative Reform and making the establishment of a Civil Service Commission (CSC) one of its central planks. Enabling legislation was recently introduced into Parliament, and a Director for the CSC was appointed on 4 November 2008.
68. The passage of the legislation is just the beginning. The Commission will be required to undertake a large and complex body of work in order to implement its functions, which include ensuring a merit-based recruitment and promotion process, promoting compliance with the code of conduct, promoting a culture of continuous improvement and performance management, improving workforce planning and management, managing disciplinary processes, advising government on remuneration and conditions of employment and reviewing matters in relation to the management and performance of public sector services.²⁵ It will be operating in an environment of both high political expectations to quickly equip the civil service to execute the Government's program and pent-up workforce demand for the quick implementation of the new schemes of service and the associated salary increases.
69. A major challenge for the Commission is the gap between expectations and capacity. The lack of civil service capacity is a central preoccupation of Government, which sees it as the major obstacle to the achievement of its program. The quality of organisational leadership is a paramount concern, with grave doubts expressed about the ability of senior managers to take an agenda forward, and to marshal resources and staff in its execution. For staff, leadership is about providing an understanding of organisational responsibilities and roles and giving clear direction and guidance. With the administrative vacuum created in 1999 and some of the subsequent approaches taken in building a new civil service from scratch, many senior managers have been thrust into management jobs with little prior administrative apprenticeship or management training. At more junior levels, the absence of business processes and models has left staff uncertain of their functions, and very basic administrative processes such as records management, note taking, and answering the phone are repeatedly raised as issues. Beyond processes, motivation and attitude are serious preoccupations.
70. While the Commission has the potential to do much of the "heavy lifting" on human resource management and development into the future, it has yet to build any substantive capacity of its own. The Australian Government has supported the developmental work for the Commission under the Public Sector Capacity Development Program, and the Review considers that increasing the level of Australian support to the Commission is a valuable way of assisting Government of Timor-Leste to build the civil service going forward.
71. Australia is also providing support for the development and training of the civil service through technical assistance to the National Institute of Public Administration and the provision of tertiary scholarships to civil servants to study in Australia. In the course of the review, the development of the senior level of the civil service as a professional and

²⁵ A bill for the *Creation of the Civil Service Commission*, Article 5.

technically able leadership group emerged as a central focus. The Prime Minister also strongly encouraged consideration of placements of officials in government agencies in Australia to broaden their exposure to other models of public administration and management. This suggests a more concerted approach to executive development to build cadres of senior professional leaders in each agency through the continued provision of scholarships, internships and secondments, and the design and implementation of executive development programs for all senior managers.

72. It is understood that the CSC will play some role with DPs on the application of technical assistance in support of local capacity development, a role once played by the since disbanded Capacity Development Coordination Unit in the office of the former Prime Minister. In practice the functions of advisers – which may involve performing a discrete and time limited technical task, building capacity alongside national staff or operating in-line – become quite blurred. Ministers admit complicity in this, acknowledging that they often ask advisers to perform tasks directly in order to ensure timely and quality delivery. It is important to clearly specify the functions of international personnel working within agencies of government, and to plan and monitor the direct or parallel building of local capacity. This is a logical element of CSC's workforce planning function.
73. GoTL will need to consider a coordinated management approach to any scaling up of long-term Australian support to the Civil Service. This may take the form of a high level oversight committee to agree the form and duration of any additional AusAID support.
74. There is merit in any new, or continuing, DP initiatives looking more closely at building long-term bilateral partnerships between relevant government agencies to support capacity building, including at the district level. In Australia's case, this will need to be closely managed by GoTL in coordination with AusAID Dili to ensure that the demand and supply aspects are well regulated and effective in supporting services delivery.
75. A further issue that requires greater consideration is the current opportunity cost to Timor Leste and GoTL when dealing in up to four languages. There appears to be a long-term benefit to investing in the development of Tetun as the official written language of public administration to reduce these costs.

The Review recommends that Australia continue to support the development and operationalisation of the Civil Service Commission, with the objective of strengthening capacity to execute the Government's program and deliver services in the districts. This will need to be supported by a long-term resources commitment from Australia.

The Review recommends that Australia support the development of the senior management cadre across government through continued scholarship opportunities, internships and secondments to government agencies in Australia and the design and development of executive development programs.

The Review recommends that a new element of capacity building be developed involving properly managed partnerships between GoTL and Australian governments. GoTL oversight of this process will be essential to ensure that any additional advisors mobilised under this strategy have a clear focus on supporting systems for services delivery.

3.2 *Institutional Development*

3.2.1 National Planning and Budgeting

76. DP pressure is mounting on Government to finalise a new National Development Plan to inform national policy goals and sectoral approaches, and direct spending to agreed priorities. The Office of the Prime Minister is said to favour a move away from a National Development Plan towards a National Strategic Framework. This has been supported by some specific work²⁶, but the thrust and shape of this proposed Framework remains unclear. Further, while there are three Ministries engaged in aspects of national planning, it is not clear which of them has final responsibility for the output.
77. A consequence of the disconnect between national planning and budgeting is that Government will continue to struggle to deliver better services to the 75 percent of the population in rural areas, notwithstanding the 2009 priorities of rural development, infrastructure and human resource development.
78. At the recent Development Partners Meeting²⁷, Prime Minister Gusmão informed all stakeholders that budget execution of plans was a key priority; and that bottlenecks needed to be overcome. There is clearly a strong need to link the annual budget process in Ministries with a national plan that provides a longer-term picture of development priorities, so that allocations and expenditure in the current year coincide with the directions set by government. A National Development Plan was directly called for by a number of stakeholders, including Australia, the UN and European Community, with strong leadership by Government identified as a key ingredient to drive the process.
79. The already limited capacity of the Civil Service has been placed under considerable stress as a result of the following recent events:
 - The unrest of April/May 2006 which disrupted government development for four months and resulted in a change of Prime Minister;
 - Parliamentary elections in June 2007; and
 - The formation of a new Government in August 2007.
80. The extent and frequency of the changes associated with these factors have severely tested the real capacity of the existing civil service mechanisms. In addition to the changes to Ministry portfolio responsibilities as the Government reorganised itself following the Parliamentary elections in June 2007, there has also been a significant reorganisation of the budgeting cycle.
81. Line ministries had completed their July 2007 to June 2008 Budget in May 2007. The new Government decided to replace the July to June fiscal year with a calendar fiscal year in August 2007. This required that line ministries prepare a six-month Transitional Budget for the period July to December 2007 in August 2007; followed immediately by the preparation of a full 2008 Fiscal Year Budget in October 2007. This stretched limited budgeting capacities to breaking point as three budgets were developed in a five-month time frame.

²⁶ Dennis de Tray report to PM on national priorities

²⁷ Third Timor-Leste & Development Partners Meeting, Tuesday 21 October 2008.

82. This pressure was exacerbated by a further major Budget rectification in June 2008; followed immediately by formulation of the 2009 Budget in August 2008. There is anecdotal evidence that this continuous cycle of five budgets being prepared over 14 months could not be supported by some smaller Ministries; and their 2008 Rectification and 2009 Annual Action Plans were revised in the Strategic Planning Unit, OPM before submission to Finance, without prior consultation.
83. As could be anticipated, quality has suffered under the administrative demands of repeated budgeting efforts. Any links between the National Development Plan and Budget resourcing were lost as Line Ministries were instructed to discontinue updating Sector Investment Plans in favour of more generic Annual Action Plans that reflected organisational structure and input costs in the four main categories of expenditure, being Salary and Wages, Goods and Services, Capital and Transfers. Time pressures resulted in a Budget analysis that focussed on the cost of inputs, with limited time to assess policy and outcome linkages.
84. This restricted analytical focus is maintained when the same data sets are reportedly used to analyse Budget execution in the Quarterly Reporting Matrices submitted to Ministry of Finance (MOF). The sole exception would appear to be Ministry of Health, which has demonstrated that real gains can be made by having a clear and sustained organisational and Budget focus on building the machinery to support services delivery at the sub-national level.
85. In many Ministries, a major part of the available resources, including the large TA contingent present in GoTL, has been directed to manage change rather than support implementation of portfolio responsibilities through services delivery. This is reflected as lower levels of Budget execution in many Ministries; and little improvement in services delivered to rural populations, one of this Government's key electoral promises and policy priorities.
86. GoTL needs to announce the Budget calendar for the balance of its term and adhere closely to this schedule. This will signal stability and certainty of the Budget process, and support the basic disciplines required including the preparation of more detailed Budget submissions. These more comprehensive submissions can incorporate basic performance indicators e.g. school attendance and patients treated in Districts, to measure service delivery. Other basics needed are a firm fiscal discipline, limited decisions outside the Budget, and audited public accounts of actual expenditures (that can be compared directly with Budget estimates).
87. Over 60% of Technical Advisers to GoTL (226 out of 354) are tasked with supporting Line Ministry Corporate Services functions, e.g. administration and logistics, budget, finance, ICT, legal, policy and planning, procurement, etc. Despite this designation, many in this large Advisory contingent are tasked to support on-going Budget and administrative changes in Dili rather than build the sub-national service delivery systems that these ministries need.

The Review recommends that steps be taken to strengthen the planning and budget process further to reinforce service delivery within a disciplined fiscal framework. Budget execution should be central to the budget cycle from planning through policy decision-making to implementation and reporting on spending and performance. The focus at this point should be on the basics: all proposals should be properly developed and costed, decisions outside the budget should be strictly limited, and execution should be reported including through audited public accounts.

3.2.2 Firmer whole-of-government capacity

88. As noted earlier in this report, there have been recent lapses in discipline around Government business management through the Council of Ministers. These lapses have resulted in the Council approving Decree Laws in the area of remuneration that have significant fiscal impacts without the benefit of Ministry of Finance costings. This breakdown in the usual process of government business and budgeting needs to be addressed if fiscal discipline and stability is to be maintained.
89. More generally, matters go forward to the Council of Ministers without addressing how decisions will be implemented, the spread of institutional responsibility for implementation, and risks and challenges. Improved execution necessitates on the part of government both a thorough appreciation of and concerted attention to the steps required to implement decisions, including coordination across agencies of government where necessary, and support to implementing agencies to identify and develop the detailed steps, to communicate and manage the processes required, and to monitor the outcomes.
90. There are several points at which agencies could be supported to assess, plan and manage the detailed implementation of government decisions:
 - When submissions go forward to the Council of Ministers;
 - As soon as policy and budget decisions are taken; and
 - As part of the preparation of Annual Action Plans, making sure that the Plans themselves are results focussed and agencies have fully considered how they will be implemented.
91. The former Victorian Premier, Steve Bracks, has identified the absence of a Ministry of the Prime Minister as a major structural flaw in the machinery of government, and AusAID's PSCDP recently proposed support in establishing such an agency, but this did not progress. More recently, Portugal has agreed to provide a technical adviser to assist with the development of an Organic Law setting out the structure of such a Ministry, but this in itself does not provide any administrative capacity.
92. The functions of such a Ministry could also include advice on the machinery of government (structures of ministries, the use of departments and executive agencies, etc) as well as the coordination functions described above including support for the Council of Ministers, and oversight of district administration, discussed further below.

The Review recommends that GOA discuss the scope for strengthening policy and budget execution by strengthening GoTL's whole-of-government capacity linked to the Prime Minister and the Council of Ministers. This could help marshal the resources of the civil service to deliver the Government's agenda, and support line agencies at national and district level to develop the tools, the processes and the practices needed to implement policy and budget decisions.

3.2.3 Build-up of district capacity

93. Poor coordination of government services and support systems at the sub-national level is constraining execution of the Government's program. Anecdotal evidence from both GoTL and development partners confirms that rural service delivery is weak; and not improving under existing administrative strategies being applied by the responsible service delivery ministries. The singular exceptions are Health and Education.
94. High profile policy priorities that cannot be implemented will expose Government to justified criticism; and may lead to knee-jerk responses. In some respects this is already occurring in the infrastructure sector where large capital works programs are being centrally programmed and implemented, with little consideration of the national procurement capacity or the capacity of line ministries to provide recurrent maintenance. At the same time, minor infrastructure at district level – rural roads, power, water and sanitation – are poorly supported.
95. Strengthened coordination need not be deferred in anticipation of the creation of municipal structures. There is sufficient time while the new municipal structures are built to work with existing agencies so that the District Administration becomes a supportive "hub" that underpins improved services across the various sectors: agriculture, infrastructure, education, health, policing and justice.
96. It has already been proposed that a multi-donor assessment mission identify an approach for better service delivery coordination at the district level. This would aim to better manage the 'central machinery to a purpose' at the sub-national level; and ties in to the concept of empowering District Administrators to provide coordination and oversight/monitoring; and inform national planning in the PM's office.
97. Coordination of basic district support services and asset management would also reinforce the activity coordination role of District Administrators; and would include:
 - a. Planning and coordination of basic services:
 - local electricity supply;
 - local water and sanitation;
 - regular and periodic maintenance of rural roads;
 - access to land for commercial, technical or residential use;
 - new infrastructure development e.g. road, electricity and water access for new schools or health facilities; and
 - request for capital and development expenditure outside the levels of district financial delegations.
 - b. Asset maintenance, repair and minor capital expenditure:
 - Government motor vehicles (tractors, light trucks, cars, motorbikes and motorised pumping and electricity generation plant);
 - Government buildings;
 - Government IT and peripherals; and
 - Government communications equipment (radios and walkie-talkies).

98. An integrated approach to common services would lend practical support to the stronger planning and coordination role for District Administrators. There may also be some potential in time for outsourcing delivery. Any decisions in this area will need to be supported by a detailed survey of individual district support services, future needs and capacities.
99. Not surprisingly, Ministries that have consistently nurtured a district-level operational capacity and that plan and budget for services at the district level achieve much better service delivery results e.g. Health and Education. They also execute larger proportions of their budgets. Equally, Ministries that do not maintain a district-level capacity and do not separately budget for district-level services delivery do not achieve good service delivery results.
100. Research also needs to be done to determine any correlation between weak district operational capacity and lower budget execution rates linked to non-delivery of district services appropriations. This will better inform the debate on the relevance of cooperating with an integrated district common services model, and the role of the District Administration in coordination and support.
101. There is a clear need to reinforce the process of District services delivery by establishing a set of minimum service level agreements for a package of basic District support services. This concept has been endorsed in principle at the working level with a number of line Ministries.
102. There is no conflict with the emerging decentralisation agenda, as these district services will be needed to implement any devolved functions at the district level, as well as any on-going vertical programs in the districts. It is the establishment of a purely administrative capacity. In time, as decentralisation incorporates the transfer of some central agency functions, this improved administrative capacity will help. In its absence, decentralisation presents a real risk of poor service delivery and corruption.
103. No other DP is actively engaged in the area of district service coordination. The UNDP/UNCDF Local Development Support Program is not addressing common district services although it has the potential to scale up into this area, subject to DP support. Accordingly, there is potential to explore this initiative in more detail with GoTL. Work could begin with preparatory studies to survey district basic services and analyse line Ministry budget allocations to the districts, followed by a detailed feasibility study to properly scope and cost a district basic services initiative. The initiative would need to build on existing approaches and initiatives for sustainability and practicality, and be highly realistic in its assessment of district level capacities.
104. Policy issues likely to arise are around Government's need to consider, where necessary, concessions required to motivate potential private sector involvement in district services provision e.g. access to land, business licences, seed capital, insurance, tax relief, longer contract terms with exclusive rights to government business.
105. Government policy considerations will revolve around district treasury roles (e.g. mobile treasuries) where there are no financial services; financial delegations to District Administrators; and upper limits for capital and development expenditure that involves labour intensive implementation methods.

The Review recommends that that GoA and GoTL discuss support for strengthening district-level coordination and for the coordinated provision of common services at district level. This will need to include a joint design approach involving GoTL and other interested Development Partners; and take into consideration the scope and scale of decentralisation already approved by Government; private sector delivery capacities; and the best management model to support the gradual decentralisation of unitary government responsibilities.

4.0 Attachments

4.1 *Review of the Public Sector in Timor-Leste – Terms of Reference*

Background

On 25 August 2008, a Government of Timor Leste delegation, led by Prime Minister Gusmão, visited Canberra as guests of the Government of Australia. The delegation met with Prime Minister Rudd and counterpart Australian ministers including the Deputy Prime Minister, Foreign Minister, Treasurer and Attorney General.

The main outcomes from the visit included announcements in defence cooperation and development assistance, including increased scholarships, a scoping study for English language training and support for food security.

The Prime Ministers agreed to review cooperation and opportunities for further assistance to the public service, education, training, employment, microfinance and infrastructure. Each of these separate reviews will report to both Prime Ministers by 19 December 2008.

Objective

The overall objective of this exercise is to **review public service capacity in Timor Leste, identify key needs, bottlenecks and consider options for expanded assistance**. The process will be led by the Australian Agency for International Development (AusAID).

The following three tasks will be completed:

- Examine needs in the public service and assistance provided by Australia and other donors.
- Identify any gaps and recommend proposals for possible further assistance.
- Consider how Australia's public sector capacity building assistance to Pacific Island Countries could be extended to Timor Leste.

Contributors

The review team ('team') will comprise contributions from:

- Andrew Podger - Eminent Senior Public Service Manager (up to 15 days)
- Peter Heijkoop - Governance Consultant, Review Coordinator (up to 25 days)
- Sue Ingram - Governance Consultant (up to 15 days)
- John Walsh - Program Manager, Public Sector Capacity Development Program (CDP)
- Donna-Jean Nicholson - First Secretary (AusAID East Timor Economic Governance)
- Alvaro Ribeiro - AusAID Activity Manager (CDP)
- Other expertise as required.

Timor Leste Government participation and/or other representation during the review process and its outcome is essential.

Methodology

The review methodology will comprise:

Desk study - pre-departure reading of relevant documentation to inform all team members, which will include but not be limited to the following:

- Program of the 4th Constitutional Government of Timor Leste, September 2007, National Development Plan 2002-7 (although out of date) and 2008 National Priorities.
- Sector Investment Programs of 2006 (although out of date).
- Relevant policies, plans and reports from GoTL and development partners meetings, including the Timor-Leste Development Partners Meeting.
- Relevant program documents, including design documents, inception reports, monitoring and evaluation reports, costing papers, tasking notes and other related reports, including AusAID's Economic Governance Review, July 2008.
- Australia's East Timor Annual Performance Report 2008.
- AusAID's East Timor Country Program Effectiveness Review 2007.
- Australia's East Timor Draft Country Strategy 2007-2011 and related Performance Assessment Framework.
- Prime Minister's media release and press conference transcript, 25 August 2008.
- Other relevant documents and analysis, as required.

Consultations – the team will participate in broad consultations with key individuals and groups. AusAID will facilitate meetings and focus group discussions. There will be sufficient flexibility to allow for additional consultations if required. This will include, but not be limited to relevant:

- Ministers, officials and counterparts from the Government of Timor Leste.
- Development partners including the World Bank Group, the United Nations Country Team and other bilateral interests.
- Australian interest groups (including relevant Australian NGOs) and individuals who support the public service in Timor Leste, and relevant staff at the Australian Embassy.
- Other persons deemed relevant by the review team.

De-briefing sessions - the team will debrief AusAID on its interim findings as required during the in-country assignment.

Reporting - reporting will be brief, user-friendly and subject to wide stakeholder feedback and peer review prior to finalisation. Each team member input will be agreed with AusAID in advance.

Output

The review will culminate in a final report and annexes as outlined and agreed below in 12., this will be submitted to AusAID by 14 November 2008.

The document is to be provided in MS Word and submitted in electronic form, in Times New Roman font, size 11.

AusAID will assume responsibility for distributing the final report.

The independent Governance Consultant (P Heijkoop) in partnership with resident and AusAID support will undertake and coordinate the review. The final report will include the following:

Report Structure	Length	Responsibility
Executive Summary/Forward	2 pages max	Andrew Podger
*Public Service Overview - Timor Leste	18 pages	P Heijkoop, S Ingram, and J Walsh
Overview of progress since independence (Architecture, achievements and constraints): Central Agency (Finance, PM's Department/Office, Civil Service Commission, State Administration, Economy and Development) Key Line Agency (Health, Agriculture, Education and Infrastructure)	16 out of 18 pages	
Conclusion and Recommendations	2 out of 16 pages	
Annexures		
Mid Term Review – Public Sector Capacity Development Program	10 pages	P Heijkoop & S Ingram
Draft Activity Completion Review – Ministry of Finance and Planning Capacity Building Program	10 pages	S Gurr – Team Leader Draft assessment of progress against logframe.
Donor Summary of Public Service Support	5 page matrix	A Ribeiro & DJ Nicholson Reviewed: P Heijkoop & S Ingram
Advice to AusAID – proposed priorities for additional public service assistance in Timor Leste	3 pages	DJ Nicholson Reviewed: P Heijkoop & S Ingram
Public Sector Review Terms of	3 pages	DJ Nicholson

Reference		
Reform lessons learned snapshot from other fragile states	3 pages	AusAID Fragile States Unit Reviewed: P Heijkoop & S Ingram
Advice to DRET (if required)	1 page	DJ Nicholson

*Refer to attachment Structure Public Service Overview Timor Leste for further detail.

Timeline and resources

The proposed timeline is as follows:

Task	Date	Coordinator
Terms of Reference agreed with AusAID	1 October	
Desk-based research; consultation with AusAID; preparation for consultations; and report outline		4 days
Draft report outline agreed with AusAID	3 October	
In-country consultations	20 October to 4 November	13 days
Travel time		3 days
Write-up of draft report	18 October - 7 November	3 days
Submission of draft final report to AusAID	14 November	
AusAID and reviewer comments on draft final report	19 November	
Comments incorporated and final report submitted	25 November	2 days

It is anticipated that a maximum of 25 working days will be required from the Governance Consultant/Coordinator (P Heijkoop) to undertake and coordinate this review as agreed in 12. and 13. above. And up to 15 working days for Mr Podger and Ms Ingram to support the review.

4.2 People consulted by the review team

Executive government

H.E. Kay Rala Xanana Gusmão, Prime Minister

H.E. Emilia Pires, Minister of Finance

H.E. João Gonçalves, Minister of Economy and Development

H.E. Pedro Lay da Silva, Minister of Infrastructure

H.E. Domingas Alves, Minister of Social Solidarity

H.E. Agio Pereira, Secretary of State for the Council of Ministers

H.E. Marito Reis, Secretary of State for Former Combatants

H.E. Jacinto Gomes, Secretary of State for Disaster Management

H.E. Florindo Pereira, Secretary of State for Administrative Reform

Senior government officials and national advisers

Cosme de Araújo, National Adviser, 2008 National Priorities Secretariat

Rui Maria de Araújo, Special Adviser, Ministry of Health

Helder da Costa, Interim Head, Aid Effectiveness and National Priorities Secretariat, Ministry of Finance

Domingos da Cruz, Ministry of Health

Lourenço Fontes, Director-General, Ministry of Agriculture and Fisheries

Nuno Grandedeiro, National Curriculum and Training Adviser, INAP, Ministry of State Administration and Territorial Management

Felisbela Guterres, National Adviser for HRM, Civil Service Commission Secretariat/NDPS, Office of the Prime Minister

Gina Lopes da Cruz, National Legal Adviser, Secretary of State for the Council of Ministers

Fausto Maia

Filipo Menes

Martinho Matos, District Administrator, Aileu

Apolinário Magno, Director-General, Ministry of Education

João Mestre, Planning Officer, Ermera

Belarmino Neves, Director, National Institute for Public Administration (INAP), Ministry of State Administration and Territorial Management

Libório Pereira, Director-General, Civil Service Commission Secretariat/National Directorate for the Public Service, Office of the Prime Minister

Miguel Pereira de Carvalho, Director, National Directorate of Local Development and Territorial Organisation, Ministry of State Administration and Territorial Management

Jose Reali, Legal Adviser, Ministry of State Administration and Territorial Management

Agapito da Silva Soares, Director-General, Ministry of Health

Victor dos Santos, District Administrator, Ermera

Alfonso Soares, Director of Policy and Planning, Ministry of Education

Xisto Soares, National Curriculum and Training Adviser, INAP, Ministry of State Administration and Territorial Management

Domingos Tristão, Management and Policy Adviser, Secretary of State for the Council of Ministers

Justino, Planning Officer, Ministry of Health, Aileu

Officials of multilateral and donor organisations

Guglielmo Colombo, Program Manager, European Union

Paul Keogh, PFM/Governance Analyst, World Bank

Laurence Pochard, Resident Representative, ADB

Finn Reske-Nielsen, Deputy Special Representative of the Secretary-General

International Advisers and Aid Program Managers

David Ablett, Vocational Education and Training Adviser, TVET Program

Chris Adams, Australian volunteer, District Administration, Aileu

Hilman Akil, Project Management Engineer, Ministry of Infrastructure

Valter Anacleto, Legal Adviser, Secretary of State for the Council of Ministers

Rajula Atherton, Corporate Service Management Adviser, Ministry for Social Solidarity

Maria Braz, HR and Capacity Building Adviser, Public Sector Capacity Development Program

Jeff Cane, HR and Capacity Building Adviser, Public Sector Capacity Development Program

Sófia Calado, Legal Adviser, Secretary of State for the Council of Ministers

Shane Anthony Cave, Anti-Corruption Technical Specialist, Office of the Prime Minister

Cameron Colbach, Australian Volunteer, Civil Service Commission Secretariat/NDPS, Office of the Prime Minister

Judite Palma Costa, Legal Adviser, Secretary of State for the Council of Ministers

Jill Engen, Technical Adviser, Ministry of State Administration and Territorial Management

Simon Fenby, Senior Policy Adviser, Office of the Prime Minister

Michael Francino, Public Financial Management Adviser to the Minister of Finance

Vasco Godinho, Management Adviser, Translations, Secretary of State for the Council of Ministers

Roger Guinery, Team Leader, National Infrastructure Planning, Ministry of Infrastructure

Steve Gurr, Team Leader, Ministry of Planning and Finance Capacity Building Program

Bryan Holford, Chief Technical Adviser, Support to Civil Service Reform Project, UNDP

Fiona Howell, Social Protection Adviser, Ministry of Social Solidarity

Rodney Lewis, Principal Legal Adviser, Ministry of Finance

Richard Neeves, Lead Budget Adviser, Ministry of Finance

George O'Farrell, Human Resource Management Adviser, Civil Service Commission Secretariat/National Directorate of the Public Service, Office of the Prime Minister

Cristina Pinto, Finance and Budget Execution Adviser, Justice Facility

Mark Pruden, Project Manager, Public Sector Capacity Development Program

Sue Smith, HR and Management Adviser for INAP, Ministry of State Administration and Territorial Management

Nelson Strata, Strategic Adviser to the Minister for Education

John Thwaites, Political Adviser to the Minister of Infrastructure

Greg Vines, Chair of Taskforce for the Civil Service Commission, Office of the Prime Minister

John Walsh, Program Manager, Public Sector Capacity Development Program

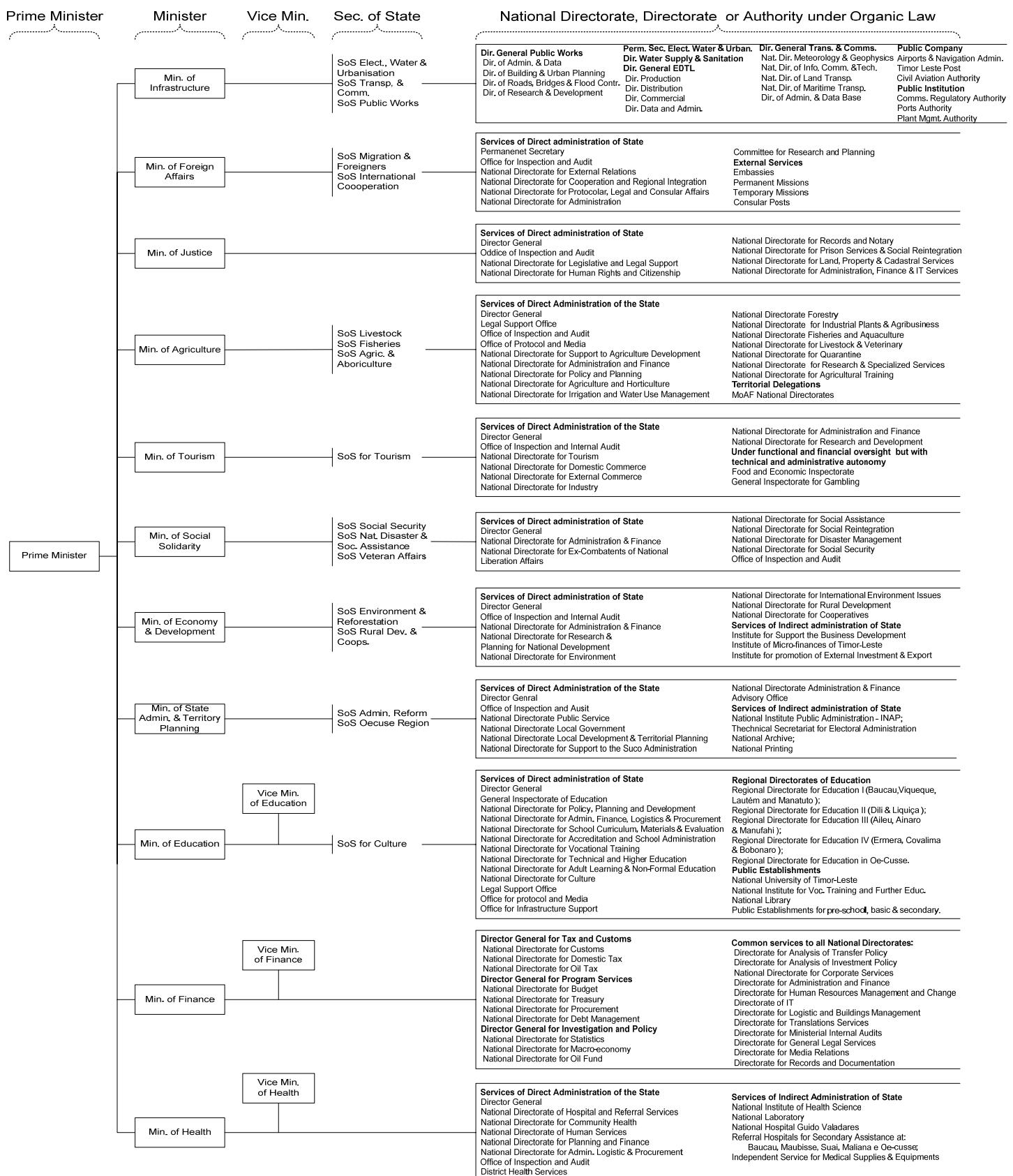
Jeremy Watson, National Infrastructure Planning Adviser, Ministry of Infrastructure

Peter Wild, Budget Adviser, Ministry of Finance

Sara Wong, Education Manager, NZAID

4.3 Government organisation chart in 2008

MINISTRIES AND SENIOR MANAGEMENT STRUCTURE OF GoTL



4.4 Civil Service Workforce Data

The following tables include all Timor Leste government employees, including:

- General government employees (employees within ministries)
- Employees from autonomous government agencies
- Police (PNTL)
- Armed forces (FDTL)

Figures are based on payroll data.

1. Ministry Size	Headcount	Percentage
All Ministries	22653	100%

2. Employment Type	Headcount	Percentage
Permanent	11298	49.87%
Temporary	7408	32.70%
Political Appointment	59	0.26%
Police	3180	14.04%
FDTL (Army)	708	3.13%
Total	22653	100.00%

3. Positions Filled	FTE/Headcount	%
Work Level 7 or greater ²⁸	74	0.33%
Work Level 7	102	0.45%
Work Level 6	477	2.11%
Work Level 5	972	4.29%
Work Level 4	4954	21.87%
Work Level 3	8545	37.72%
Work Level 2	4964	21.91%
Work Level 1	2556	11.28%
No Work Level Recorded	9	0.04%
Total	22653	100.00%

²⁸ Employees, usually politically appointed, paid above the Work Level 7 base pay.

4.5 Government Workforce Broken down by Institution: Payroll Data

Ministry	Headcount	Headcount % of whole Government
Ministry of Education	9633	42.53%
Ministry of Health	2431	10.73%
Ministry of Defence and Security	1058	4.67%
Ministry of State Adm. & Territorial Mgmt.	856	3.78%
Ministry of Infrastructure	813	3.59%
Ministry of Agriculture & Fisheries	761	3.36%
Ministry of Justice	721	3.18%
Ministry of Finance	703	3.10%
Ministry of Social Solidarity	297	1.31%
Ministry of Economy & Development	264	1.17%
Office of the Prime Minister	235	1.04%
Public Broadcasting	150	0.66%
Ministry of Foreign Affairs	108	0.48%
National Parliament	73	0.32%
Office of the President	58	0.26%
Ministry of Commerce Tourism & Industry	51	0.23%
Human Rights and Justice	48	0.21%
General Government Total	18260	80.61%
Electricity – TL	349	1.54%
Civil Aviation – TL	93	0.41%
Ports Authority – TL	43	0.19%
Autonomous Government Institutions Total	485	2.14%
PNTL	3196	14.11%
Defence Force of East Timor (FDTL)	711	3.14%
Police and Armed Forces Total	3907	17.25%
Grand Total	22652	100.00%

4.6 Employment Type by Work Level: Budget and Payroll Data

This table shows the variance between budget employee figures for each work level and the actual number of employees being paid based on payroll. Overall the budget estimates are greater than the number of employees being paid with a difference of 1,474 employees. The only work levels that contain more employees being paid than was estimated in the budget are the more senior work levels, level 6 and level 7.

		Work Level								
		1	2	3	4	5	6	7	> 7 *	Total
Permanent	Budget	1313	4285	6830	3796	758	264	29	0	17275
	Actual within Payroll	821	3878	6434	3271	525	203	34	11	15177
Temporary	Budget	1615	945	2036	1490	526	208	23	0	6843
	Actual within Payroll	1735	1086	2111	1683	447	274	68	63	7467
Total	Budget	2928	5230	8866	5286	1284	472	52	0	24118
	Actual within Payroll	2556	4964	8545	4954	972	477	102	74	22644
	% Variance for Total	12.7%	5.1%	3.6%	6.3%	24.3%	1.1%	96.2%	N/A	6.1%

Note: *Employees being paid a base salary greater than that of a level 7, generally for political appointments

Defence force and police employees included as permanent employees

Politically appointed employees included as temporary employees

4.7 Staffing by Ministry, level and location

Institution	Dili or District	Status	Employment Level								Grand Total		
			1	2	3	4	5	6	7	Special Pay*			
Ministry of Agriculture & Fisheries													
Ministry of Agriculture & Fisheries	Dili	Permanent	5	13	24	45	40	17			144		
		Temporary	29	54	68	107	40	11	5	3	317		
		Political Appt			2			1	5		8		
	Dili Total		34	67	94	152	80	28	6	8	469		
	District	Permanent		21	49	76	10	2			158		
		Temporary	17	21	57	26	7	3			131		
		Political Appt		1			1	1			3		
	District Total		18	42	106	102	18	6			292		
Total			52	109	200	254	98	34	6	8	761		
Ministry of Commerce Tourism & Industry													
Ministry of Commerce Tourism & Industry	Dili	Permanent			3	4	5	3		3	18		
		Temporary	2	6	7	8	5	1	2		31		
		Political Appt							1		1		
	Dili Total		2	6	10	12	10	4	2	4	50		
	District	Permanent			1						1		
		District Total			1						1		
Total			2	6	10	13	10	4	2	4	51		
Ministry of Defence and Security		Dili	Police		1						1		
			Permanent	260	100	35	23	13	5	1	438		

			Temporary	99	44	8	8	5	4	4	1	173
			Political Apt	1		1					3	5
		Dili Total		360	144	45	31	18	9	5	5	617
		District	Permanent	83	73	16	4					176
			Temporary	259	5							264
			Political Appt							1		1
		District Total		342	78	16	4		1			441
		Total		702	222	61	35	18	10	5	5	1058
Ministry of Economy & Development	Dili	Permanent		4	12	22	9	8	1			56
		Temporary		7	28	41	51	25	13	6		171
		Political Appt									4	4
		Dili Total		7	32	53	73	34	21	7	4	231
	District	Permanent			2							2
		Temporary		7	8	5	11					31
		District Total		7	10	5	11					33
Total				7	39	63	78	45	21	7	4	264
Ministry of Education	Dili	Permanent		9	692	623	19	12	3	1		1359
		Temporary		158	70	239	338	159	75	6	1	1046
		Political Appt									4	5
		Dili Total		158	79	931	962	178	87	9	6	2410
	District	Permanent		9	3759	1371	11	11			1	5162
		Temporary		263	6	940	847	1		1	2	2060
		Political							1			1

			Appt								
			District Total	263 15 4699 2219 12 11 1 3							
Total				421	94	5630	3181	190	98	10	9
Ministry of Finance	Dili	Permanent	6	62	98	136	25	8			335
		Temporary	46	105	83	21	8	9	2		274
		Political Appt							1		1
	Dili Total		52	167	181	157	33	17	2	1	610
	District	Permanent	1	17	20	11	1				50
		Temporary	33	8							41
	District Total		34	25	20	11	1				91
	Total			86	192	201	168	34	17	2	1
	Dili	Permanent	3	3	8	9	5	9	3		40
		Temporary	6	8	13	7	3	21	3	6	67
		Political Appt							1		1
Ministry of Foreign Affairs	Dili Total		9	11	21	16	8	30	6	7	108
	Total			9	11	21	16	8	30	6	7
	Dili	Permanent	53	272	113	51	17	2	1		509
		Temporary	54	52	125	20	7	27	9		294
		Political Appt							2		2
Ministry of Health	Dili Total		54	105	397	133	58	44	11	3	805
	District	Permanent	3	125	564	258	76	18	1		1045
		Temporary	315	117	109	16	3	12	4		576
	District Total		318	242	673	274	79	30	5		1621
	Total			372	347	1070	407	137	74	16	3
											2426

Ministry of Infrastructure	Dili	Permanent	33	50	50	65	24	8	2	1	233
		Temporary	34	158	135	41	38	12	4		422
		Political Appt							3		3
	Dili Total		67	208	185	106	62	20	6	4	658
	District	Permanent	31	34	31	27	4		1		128
		Temporary	7	16	2	1		1			27
	District Total		38	50	33	28	4	1	1		155
	Total			105	258	218	134	66	21	7	4
	Institution	Dili or District	Status	Employment Level							
				1	2	3	4	5	6	7	Special Pay*
Ministry of Justice	Dili	Permanent	31	137	90	23	27	30	13	1	352
		Temporary	34	50	43	15	11	16	4		173
		Political Appt							3		3
	Dili Total		65	187	133	38	38	46	17	4	528
	District	Permanent	15	68	39	29	11	2		1	165
		Temporary	16	9	2			1			28
	District Total		31	77	41	29	11	3		1	193
	Total			96	264	174	67	49	49	17	5
	Ministry of Social Solidarity	Dili	Permanent		7	54	19	4	6	1	91
			Temporary	43	41	44	21	9	6	3	169
			Political Appt						4		4
		Dili Total		43	48	98	40	13	12	4	264
		District	Permanent	1	1	7	2				11

		Temporary	6	5	11				22
	District Total		7	6	18	2			33
Total			50	54	116	42	13	12	4
		Dili	Permanent	5	25	52	42	37	15
			Temporary	164	73	31	10	25	6
			Political Appt						2
		Dili Total							311
				169	98	83	52	62	2
		District	Permanent	10	21	121	22	68	12
			Temporary	25	34	25		23	3
		District Total							108
				35	55	146	22	91	13
									365
Ministry of State Adm. & Territorial Management	Total			204	153	229	74	153	34
		Dili	Permanent	4	14	8	4	5	1
			Temporary	15	8	6	6		1
		Dili Total							37
				19	22	14	10	5	1
	Total			19	22	14	10	5	2
		Dili	Permanent	2	10	10	20	2	4
			Temporary		2		1	3	1
			Political Appt						2
		Dili Total							8
				2	12	10	21	5	1
Office of the President	Total			2	12	10	21	5	2
		Dili	Permanent	2	12	10	21	5	1
			Temporary		2		1	3	1
			Political Appt						2
		Dili Total							2
				2	12	10	21	5	1
Office of the Prime Minister	Total			2	12	10	21	5	2
		Dili	Permanent	4	15	17	11	4	
			Temporary	23	26	43	30	22	17
			Political Appt						8
		Dili Total							1
				23	30	58	47	33	21
									8
									228

	District	Temporary	3	1	1	1		6
		Political Appt				1		1
	District Total		3	1	1	1	1	7
Total			23	30	61	48	33	22
						9	9	235
Provedor of Human Rights and Justice	Dili	Permanent		5	2	3		10
		Temporary	4	5	5	13	6	2
		Political Appt					3	35
	Dili Total		4	5	5	18	8	5
						3		48
Total			4	5	5	18	8	5
						3		48
Public Broadcasting	Dili	Temporary	2	11	13	73	20	28
						1		148
	Dili Total		2	11	13	73	20	28
						1		148
	District	Temporary				2		
	District Total					2		2
Total			2	11	13	75	20	28
						1		150
Total Across General Government			2156	1829	8096	4641	892	466
						101		72
								18253

Institution	Dili or District	Status	Employment Level								Grand Total
			1	2	3	4	5	6	7	Special Pay*	
Autonomous Agencies											
Electricity – TL	Dili	Permanent		21	41	19					81
		Temporary	25	38	26	11	13	2			115
	Dili Total		25	59	67	30	13	2			196
	District	Permanent	5	19	38						62
		Temporary	40	42	9						91
	District Total		45	61	47						153
Total			70	120	114	30	13	2			349
Port Authority – TL	Dili	Permanent		8	5	1	1				15
		Temporary	1	16	8	2	1				28
	Dili Total		1	16	16	7	2	1			43
Total			1	16	16	7	2	1			43
Civil Aviation - TL	Dili	Permanent	7	23	26	3	3	1			63
		Temporary	5	20	4						29
	Dili Total		12	43	30	3	3	1			92
Total			12	43	30	3	3	1			92
Total Across Autonomous Agencies			83	179	160	40	18	4	0	0	484
Total Across Whole Government **			2556	4963	8545	4952	972	477	102	74	22643

* Employees earning base salary above Level 7 pay (generally political appointments)

** Employees with 'blank' for work level (9 employees) have been removed from this table

Defence Force and Police											
Defence Force of East Timor (FDTL)	Dili	Temporary Political Appt	1							2	
			174	139	284	72	35	3	1		
	Dili Total		175	139	284	72	36	4	1	708	
Total			175	139	284	72	36	4	1	711	
PNTL	Dili	Police	87	1124	3	106	21	2	1	1344	
		Permanent	3	6	7						
		Political Appt	1							16	
	Dili Total		90	1130	3	113	21	2	1	1361	
	District	Police	52	1686	2	88	5	1	1834		
District Total			52	1686	2	88	5	1	1834		
Total			142	2816	5	201	26	3	1	3195	
Total Across Defence and PNTL				317	2955	289	273	62	7	1	3906

4.8 Distribution of Corporate Services Technical Advisers - by Agency and Function

(as at 1 June 2008)

	MoAF					MoED					MoE					MoF					MoH				MoI	MoJ						
	C	D	I	L	M	C	M	S	V	C	I	J	O	P	T	A	C	K	M	P	T	V	D	S	T	U	A/C	C	L	O	P	S
Administration & Logistics	1				1		1						1												1		1					
Budget				1						1						5						1										
Education & Training								1		1	3	2	3	1	1		4					1				1	1					
Finance	1			1				1						5		3				2			1	1								
Human Resources					1				1		2					2		1		1			1	1								
ICT		1		1										2		3			5							1						
Legal & Justice				1															2							4	3	1	8	10		
Media & Telecommunications					1						1								1													
Planning & Policy	1			1	1		1	1							1	1	1	1		4	1			3								
Procurement														2		9								2		1						
TOTAL by Agency by Donor	1	2	1	1	6	2	1	1	3	3	3	4	5	1	11	1	27	1	1	1	16	1	2	1	4	5	3	4	3	1	8	10
TOTAL by Agency	11					7					27					48					12				3	26						

	MoD&S			MoSS		MoSA&TO				MoTC&I		NP	OIG	OPM					OPR		PGR	PHR&J	SoSD		SoSEP		SoSEP	
	B	C	M	P	C	D	N	P	E	M	P	S	C	L	M	O	P	X	P	I	C	L	C	V	M	Q/H		
Administration & Logistics																								1				
Budget																												
Education & Training			1			3																						
Finance	1	1										1																
Human Resources	1					3																						
ICT						1		1																				
Legal & Justice		1			1	1				2	1								1	1	1	1	1	1	1	1		
Media & Telecommunications						1		1			1							1										
Planning & Policy						1		1	2				3	1	9		1	1	1	1			1	1	1	1		
Procurement	1		1	1																								
TOTAL by Agency by Donor	2	1	4	1	7	3	1	2	1	5	1	1	3	1	9	1	1	1	2	2	1	1	2	2	2	1		
TOTAL by Agency	7			1	13				6		1	1	16					4		1	1	4	2	2	1			

	SoSNR	SoSPW&U	SoSPW		SoSSeg		SoSSA&ND		SoSSec	SoSTE&C	SoSVT&E		SoSY&S	SoSCoM	SoSRO	No Agency Identified
	K	C	C	M	B	M	G	P	M	M	D	M	M	C	S	
Administration & Logistics					1											
Budget			1													
Education & Training	1				2						1	4				1
Finance															1	
Human Resources		1														
ICT	1				1		1					1				1
Legal & Justice				1	1	1			1	1	1		1	5		
Media & Telecommunications								1								
Planning & Policy					2								1			
Procurement																
TOTAL by Agency by Donor	2	1	1	1	7	1	1	1	1	1	2	5	2	5	1	2
TOTAL by Agency	2	1	2		8		2		1	1	7		2	5	1	2

Legend:

A – Asian Development Bank	MoAF - Ministry of Agriculture & Fisheries
B – Australian Federal Police	MoED - Ministry of Economy & Development
C – Australian Agency for International Development	MoE- Ministry of Education
D – European Commission	MoH - Ministry of Health
E – German International Cooperation Enterprise	MoF - Ministry of Finance
F – Global Fund	MoI - Ministry of Infrastructure
G – International Organisation for Migration	MoJ - Ministry of Justice
H – Irish Aid	MoD&S - Ministry of Security & Defence
I – Japan International	MoSS - Ministry of Social Solidarity
J – New Zealand International Aid and Development Agency	MoSATO - Ministry of State Administration & Territorial Planning
K – Norwegian Agency for Development Cooperation	MoTC&I - Ministry of Tourism, Commerce and Industry
L – Portuguese Institute of Development Aid	NP - National Parliament
M – Timor-Leste State Budget	OIG - Office of the Inspector General
N – United Nations Capital Development Fund	OPM - Office of the Prime Minister
O – United Nations Children’s Fund	PGR - Prosecutor General Office
P – United Nations Development Program	SoSD - Secretary of State for Defence
R – United Nations Population Fund	SoSEP - Secretary of State for Energy policy
S – United States Agency for International Development	SoSEP - Secretary of State for Equality and Promotion
T – World Bank	SoSNR - Secretary of State for Natural Resources
U – World Health Organisation	SoSPW - Secretary of State for Public Works
V – Unknown and other	SoSPW&U - Secretary of State for Power, Water & Urbanization
	SoSSe - Secretary of State for Security
	SoSSA&NT - Secretary of State for Social Assistance & Natural Disasters
	SoSSS - Secretary of State Social Solidarity
	SoSTC&E - Secretary of State for Transport, Equipment & Communications
	SoSVT&E- Secretary of State for Vocational Training & Employment
	SoSY&S- Secretary of State for Youth & Sports
	SoSCoM - Secretary of State for Council of Ministers